

2013

US Foreign Aid to Israel: A Reassessment Policy Paper

Gideon Israel



The Jewish Statesmanship Center
in Memory of Ido Zoldan

The Jewish Statesmanship Center
P.O.Box 18749, Jerusalem
Tel. +972-77-5156011
<http://www.statesmanship.org.il>

© All rights reserved



The Jewish Statesmanship Center
in Memory of Ido Zoldan

US Foreign Aid to Israel: A Reassessment Policy Paper

Gideon Israel

Table of Contents

Abstract.....	5
Policy Paper Summary.....	6
Appendix 1 History of Aid.....	17
Appendix 2 Origins of the Aid.....	26
Appendix 3 Examples of Pressure.....	32
Appendix 4 Israel’s Dependence on America.....	47
Appendix 5 Linkage: Impact on US Aid to Israel's Enemies	50
Appendix 6 Congress and Foreign Policy.....	54
Appendix 7 US State Department and Israel.....	65
Appendix 8 US Financial Crisis.....	70
Appendix 9 Recommendations.....	75
Afterword.....	86
Bibliography.....	87
Policy Paper Summary in Hebrew.....	102

Abstract

This policy paper examines positive and negative aspects of the US foreign aid to Israel and offers recommendations for a restructuring and upgrading of the current aid package that it receives. The objective of restructuring the aid is to more accurately reflect the US-Israel relationship as it stands in 2012, and not as it was in the 1970s or 1980s. The current foreign aid package, conceived in 1984, has been in a stagnant framework since its inception, and does not reflect the current economic and military reality in which Israel finds itself in the year 2012. Israel's military strength, economy, and abilities have improved drastically since 1984; thus its receiving aid in the present format and present conditions can be damaging to Israel's image and political flexibility, and create unnecessary dependence. In the past, the aid was an integral part of the relationship, and something which could not be relinquished or restructured; but in the future, political support will be the most critical aspect of the relationship and the area in which Israel should focus its efforts.

Policy Paper

Introduction

The ongoing economic crisis in the US and turbulence in the Middle East, compounded by Israel having reached economic stability, create a situation where US foreign aid to Israel, particularly its current structure and relevance, needs to be reviewed.

In this swiftly changing world, it is incumbent upon Israel to be aware that changes in the region and events affecting its allies – even ones that appear to be totally unrelated to Israel – must be followed closely with Israel initiating the appropriate shifts in its policies to strengthen its relationships with allies, and continue to protect itself against new enemies. The foundation of the US-Israel relationship is – and must continue to be – strategic cooperation and common interests, with friendship and moral commitments playing a supporting role (see Appendix 2). For this to happen, Israel must restructure the format of the foreign aid it currently receives from the US in a way which allows Congress to redefine its role in supporting the relationship and advancing the relationship to a more secure point, where both countries can enjoy a greater degree of independence which will ultimately draw them closer together.

As the Cold War came to an end, Israel was faced with a situation similar to the situation it faces today. The global political map had changed significantly and no longer would Israel be needed to combat the spread of communism in the Middle East. Israel's value to the US was debated in the public arena. Was Israel still an asset, or should the US distance itself from Israel? Yet, it was clear to some that as the Soviet Union crumbled, new threats, especially from the Middle East, would emerge and threaten America's safety. Furthermore, there was a vast opportunity for Israel and the US to increase their joint cooperation. Thus, the early 90s became a period where US-Israel relations broadened and deepened through enhanced cooperation and training. The current storm in the Middle East presents a similar

opportunity for Israel to initiate joint cooperation as it did in the early 90s and by doing so strengthen its relationship with the US.

Background

The recent upheavals in the Middle East have shown that the political map can change quickly. The political future of US allies in the Middle East – Egypt, Bahrain, Jordan and Saudi Arabia – is still unknown.

Post-Mubarak Egypt will not necessarily be an ally of the US, and might even become an ally of its enemies, Russia or China. Bahrain, where the US's 5th fleet, with more than 4,000 soldiers, docks, and from which it patrols the Persian Gulf, has been rocked by disorder and tumult which potentially threaten the pro-American Sunni monarchy and possibly even the Saudi ruling family in Riyadh. Jordan, another pro-West ally since the 1950s, is concerned about the possible demonstrations of a majority Palestinian population and its current government may be in jeopardy. Jordan has been viewed by the West and America as a stabilizing factor in the Middle East. In the past 40 years the US has already seen four major allies fall – Libya in 1969, Iran in 1979, Turkey aligning itself with Iran and the Muslim world, and most recently Egypt. In the future, the question is when – and not if – this will happen in Saudi Arabia, Jordan, and other US allies in the Middle East. The only stable government that the US can rely on in these turbulent times is Israel. With US armed forces being stretched by war in Afghanistan and a tired army that recently returned from Iraq, the advantage and importance of increase cooperation with Israel – which amplifies and augments the US's strategic influence in the Middle East – is increased.

The United States is currently in the midst of an economic recession, the severity of which has not been seen since the 1930s (see Appendix 8), with the unemployment rate at nearly 10 percent. Many state governments are staggering under significant deficits and many cities are bordering on bankruptcy. Consequently, states are being forced to cut basic programs and services to their citizens. The Federal Government

is staring at a total deficit of more than \$15 trillion, which threatens the US's standing in the world. The current Republican controlled House of Representatives continues to wrestle with the administration over government spending with no compromise in sight. While the administration has been fighting to maintain the foreign aid budget, including aid to Egypt, Lebanon and Israel, nothing is safe in the long term. The magnitude of this economic crisis requires more than just tightening the belt. The US will need to reevaluate all expenditures in light of their contribution to its interests worldwide and to national security, and no expenditure is guaranteed to survive the budget tightening axe. This reevaluation process will continue for many years to come as US government spending has truly gotten out of hand.

Israel, as a US ally in a turbulent region, finds itself at a peculiar crossroads. On the one hand, the dangers to its security have increased with Iran and its proxies seemingly emerging as winners from the recent upheavals. On the other hand, its value to the Western world and the United States – as a military power in the region and a democratic stronghold – has increased. In the near future, it is likely to be the only country through which the West will retain a foothold in the Middle East.

Given the current scenario, Israel is faced with two diametrically opposed options: to request more aid to combat the rising dangers in the region, or to present itself as the only address for increased strategic cooperation which can help secure Western influence and interests in the region.

In 2011, Ehud Barak, then Israeli Defense Minister, declared that Israel needs to request increased military aid (\$20 billion). This request - detached from reality and possibly harming Israel's relationship with the US – ignores creative alternatives in place of military aid.

Negative Effects

Israel receives various forms of aid from the US (see Appendix 1).

Recent US Aid to Israel

(millions of dollars)

Year	Total	Military Grant	Economic Grant	Immig. Grant	ASHA	All other
1949-1996	68,030.9	29,014.9	23,122.4	868.9	121.4	14,903.3
1997	3,132.1	1,800.0	1,200.0	80.0	2.1	50.0
1998	3,080.0	1,800.0	1,200.0	80.0	—	—
1999	3,010.0	1,860.0	1,080.0	70.0	—	—
2000	4,131.85	3,120.0	949.1	60.0	2.75	—
2001	2,876.05	1,975.6	838.2	60.0	2.25	—
2002	2,850.65	2,040.0	720.0	60.0	2.65	28.0
2003	3,745.15	3,086.4	596.1	59.6	3.05	—
2004	2,687.25	2,147.3	477.2	49.7	3.15	9.9
2005	2,612.15	2,202.2	357.0	50.0	2.95	—
2006	2,534.5	2,257.0	237.0	40.0	—	0.5
2007	2,503.15	2,340.0	120.0	40.0	2.95	0.2
2008	2,423.9	2,380.0	0	40.0	3.90	0
2009	2,583.9	2,550.0	0	30.0	3.90	0
2010	2,800.0	2,775.0	0	25.0	—	0
Total	109,001.55	61,348.4	30,897.0	1,613.2	151.05	14,991.9

Through the years, US aid to Israel has fluctuated, increasing in some areas and decreasing or ceasing in other areas. Aside from the advantages of foreign aid, it has created many negative effects (see Appendix 3).

1. Pressure has been applied to Israel in diplomatic, economic and defense areas.
2. Defense Industries – US aid limits Israel’s defense industry development opportunities and sales opportunities to other countries.
3. Israel spends 74% of US aid on supplies from US companies which do not always best address its needs. Furthermore, US aid encourages Israeli companies to operate in the US, and not in Israel, so that they can benefit from US aid money.
4. Arab Nations – Foreign aid to Israel has also led to increased arms sales to Arab countries, thus escalating the arms race in the Middle East, and increasing the defense needs and economic burden on Israel (see Appendix 5).

5. Image – US aid has harmed Israel’s image since it creates a stigma of Israel being dependent on the US for ‘charity.’ Accompanying this has been a growing psychological dependence on the US – a belief that Israel cannot survive without US aid.

Problem

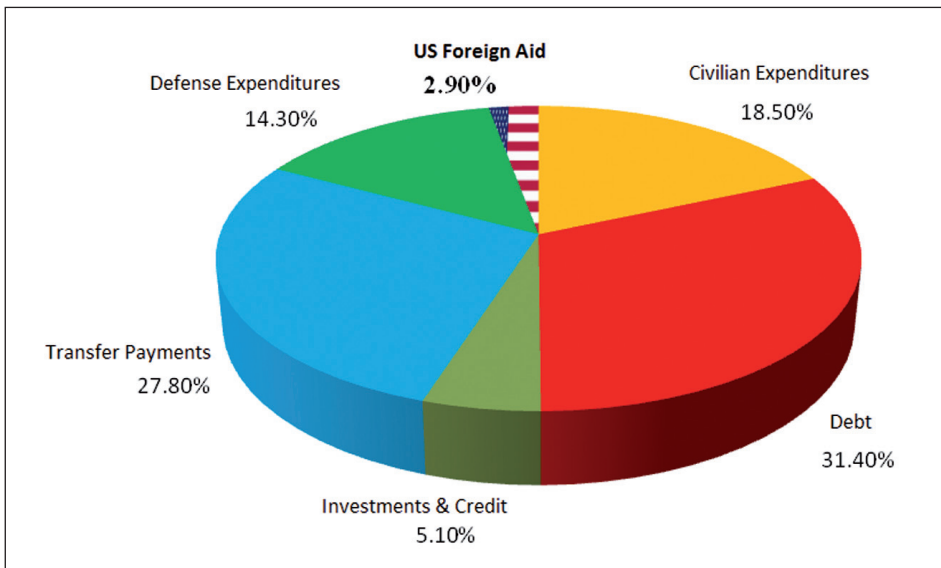
Israel receiving US foreign aid is not the problem. The problem is the outdated role that US aid plays in the context of the US-Israel relationship (see Appendix 4), which casts a shadow on the relationship and misrepresents US-Israel relations. Military aid reached peak levels as Israel was struggling to survive in the 1970s and suffering economic woes in the 1980s. US aid to Israel has been imprinted and engraved in the conscious of Americans, Israelis, and politicians as a reflection of the relations between the two countries, and a barometer of each one’s strength in relation to the other. In light of the significant changes that have transpired over the past two decades, Israel’s continued acceptance, or requests, for military aid, has distorted Israel’s political strength and relationship with the US. This outdated role has raised unrealistic expectations from the US of Israel, and in turn has handicapped Israel’s policy making.

Economic and military aid to Israel was once the defining metric of US support for Israel. Aid reached a peak in 1986 of nearly \$4 billion dollars, due to Israel’s severe economic troubles. Since then, Israel’s economy has recovered significantly, with its GDP increasing eightfold. Today, Israel’s economy is an island of stability in a sea of floundering economies and the main rationale for receiving high levels of aid - a weak economy – no longer exists

US aid serves as a cushion in the Israeli budget, specifically the defense budget. However, its continued role in the US-Israel relationship, symbolizing the US commitment to Israel’s security, is misleading at best and detrimental at worst. The relationship between the two countries has significantly developed through increased cooperation and continues to grow. Simultaneously, Israel has gradually

become a regional military superpower, economic powerhouse and bastion of freedom and democracy. Yet, it is becoming increasingly dependent on the United States for the upkeep of its multifaceted military strength, which has handicapped its maneuverability and political flexibility.

Israel Government Budget 2010



Recommendations

Israel is slated to receive about \$3 billion per year in aid over the next five years. The following are two recommendations for restructuring foreign aid.

Option 1:

1. Phasing out foreign aid from the State Department budget at a rate of \$300 million a year over a 10-year period.
2. Moving the remaining foreign aid to the Pentagon budget.

Option 2:

1. Phasing out foreign aid from the State Department budget at a rate of \$300 million a year over a 10-year period.
2. Initiating a strategic cooperation fund in the amount of \$300 million per year for the next 10 years for the purpose of funding joint cooperation, new R&D projects between the two countries, and enhanced investment in current bi-national funds earmarked in the defense budget.
3. Removing limitations on Israeli defense exports.
4. Upgrading the Haifa and Ashdod ports to facilitate the needs of the Sixth Fleet.
5. Increasing US weapons prepositioning in Israel (missiles, planes, drones, tanks, APCs, counterterrorism).

The plan will be formulated in cooperation with the US Congress.

To facilitate the redefining of the relationship between the US and Israel, Israel will propose the phasing out of foreign aid over the next 10 years. Thus, for each of the next 10 years, Israel will receive \$300 million less in aid than the previous year, so that in 10 years Israel will no longer receive any foreign aid from the US State Department budget. As a substitute, Israel and the US will begin a 10-year period during which \$300 million is invested annually in joint projects. The projects would include enhanced military cooperation, R&D Foundation, enhanced investment in existing funds, increased prepositioning of military supplies, etc.

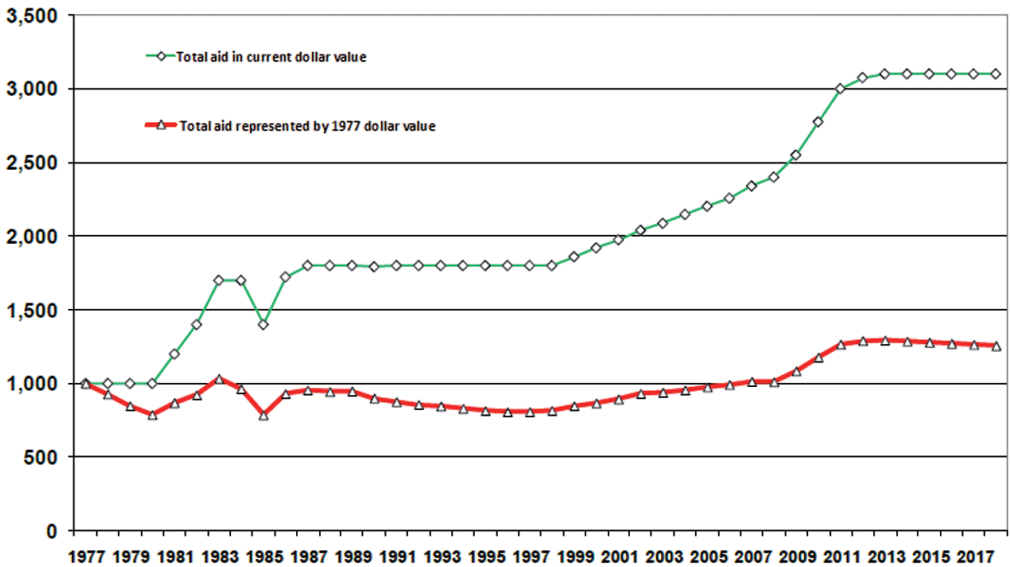
The projects to be funded will be presented to the US Congress, whose support for Israel has been unwavering. In the past, Congressmen on the various Appropriations Committees have initiated similar projects, even against the President's wishes. The projects will be inserted into specific legislation in the defense budget over a 10-year period.

The purpose of these projects would be to enhance strategic and industrial cooperation between the two countries for mutual benefits. These projects will

bolster Israel’s security and generate revenue for Israel, thereby compensating for the foreign aid Israel would forgo (see Appendix 9).

Development of US Aid to Israel 1977-2010

(in millions of dollars)



Assessment

The first option calls for simply phasing out foreign aid, similar to the manner in which economic aid was phased out. Additionally, the remaining foreign aid, over the next 10 years, would be transferred from the State Department’s budget to the Pentagon budget. Receiving aid from the Pentagon budget is preferred because it is seen as spending on joint cooperation, as opposed to receiving aid from the State Department budget, which is seen as ‘charity.’

The second option proposes a plan that allows Congress to be the conduit for changing the US-Israel relationship. Phasing out foreign aid allows Congress,

which has continually shown unconditional friendship to Israel (see Appendix 6), to play a greater role in defining the relationship, rather than the State Department, whose relationship with Israel is less amicable (see Appendix 7).

Under the US Constitution, Congress possesses equal power to the Executive Branch, including in matters of foreign affairs, and has historically demonstrated its power in critical foreign policy decisions: termination of wars in Vietnam, Laos, Cambodia, and military involvement in Angola and Nicaragua. The power of the purse gives Congress full discretion for appropriating funds, and separation of powers between the two branches ensures Congress its independence in policymaking.

Similar projects have already been undertaken, such as the renovation of the Port of Haifa, at the initiation of Congress, which viewed this project as beneficial to the US Sixth Fleet. This renovation provides economic benefits to the city of Haifa and Israel as a whole, when the US fleet docks at the port each year. Joint bi-national foundations such as BIRD (Bi-national Industrial Research and Development Foundation) and BARD (Bi-national Agricultural Research and Development) have brought Israel and the US closer and simultaneously generated economic revenue from the resulting research (see Appendix 9). With the additional funding available, many more projects of this nature could be launched including: an R&D defense fund, water conservation projects, energy development projects, and space research projects. Additionally, a committee of experts from both countries should be formed, reminiscent of Endowment for Defense Industrial Cooperation (EDIC), to explore additional joint projects of mutual benefit.

Aside from the enhanced joint cooperation, the US will also benefit from this plan. Because of the current framework of the US aid, in which all foreign aid is voted on as a single bill, Congressmen who support giving aid to Israel, ipso facto provide aid to additional countries. This plan however, will allow Congressmen to support aid to Israel alone, thereby significantly reducing the foreign aid budget.

Conclusion

We recommend the second option. While it is more complex to implement, it allows Israel the unique opportunity to present itself as part of the solution to US budgetary and security concerns in light of Middle East turmoil by phasing out US aid and initiating joint projects to bolster US security in the region as well as globally. This direction will find an overwhelmingly supportive Congress to expedite the aforementioned ideas and initiate other projects and policies which will strengthen the strategic relationship between the two countries. Israel will improve its image in the eyes of the US Congress and the general public, and by initiating such a bold move will demonstrate strength in the international arena.

US aid to Israel will not last forever. At some point US politicians or the general public in the US will demand a reevaluation of all US foreign aid. The above suggestions minimize the risk that Israel may be asked by the US to accept a significant cut in US foreign aid, which would be a foreign policy disaster for Israel and severely damage its standing in the US, which is Israel's only ally. If Israel does not restructure US aid, it will be making a foreign policy error which expresses the following problematic underlying assumptions:

1. That the relationship between the US and Israel will remain stable forever and that US support for Israel is secure.
2. Although times change, Israel does not need to initiate changes in the framework of the relationship.
3. It is okay for Israel to continue accepting US aid, even though the Israeli economy continues to grow while the US economy is floundering.

In the past, Israel has learned the hard way that stable, positive relationships between countries are not guaranteed. Sometimes there is a sudden upheaval which disrupts the relationship, while at other times there is a gradual erosion of the relationship. The US is the only country in the world whose relationship with Israel is from the bottom up – in the US, support for Israel does not start with the politicians, rather, the general public. Thus, Israel must take pains to continually cultivate its support

base among the general public in the US, as well as among politicians. When US taxpayers are out of work and struggling to make ends meet, giving money to another country does not sound positive. For US politicians, supporting US foreign aid to a country whose economy is succeeding, while the US economy is struggling, is a difficult, potentially unpopular choice.

Appendix 1 – History of Aid

Foreign Assistance Act

A major component governing US foreign policy is the Foreign Assistance Act of 1961 (FAA). This act outlines the US's foreign policy goals in granting various types of assistance to different countries. Aid from the US to other countries started at the end of WWII; the Foreign Assistance Act of 1961 combined all the programs together into what was hoped to be a more efficient system.

In the aftermath of World War II, Europe lay in destruction. George Marshall, delivering a commencement speech at Harvard University, reiterated the obvious desperate predicament of Europe and declared, “It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace.”¹ On April 3, 1948, President Harry Truman signed the Foreign Assistance Act, authorizing grants and loans amounting to \$17 billion over the next four years. The goal of the Marshall Plan was specific: to stabilize Europe, not as a permanent program for European recovery but as an emergency tool of assistance.

When the Marshall Plan ended on June 30, 1951, Congress was in the process of piecing together a new foreign aid proposal designed to unite military and economic programs with technical assistance. This plan became a reality when Congress passed the Mutual Security Act of 1951 and created the Mutual Security Agency. This act authorized military, economic, and technical assistance to countries with the aim of developing their resources in the interest of their security and independence on the condition that such assistance is in the national interest of the United States. The Mutual Security Act was revised in 1954 and 1957, each time adding new elements to the existing foreign assistance programs. These acts were insufficient insofar as they failed to address the need for a long term foreign assistance program. This led to the formulation of the FAA of 1961 which created the United States

1 Speech by John C. Marshall, June 5, 1947

Agency for International Development (USAID).²

The principal goal of the FAA was to consolidate these statutory authorities and programs under a regime, taking into account the new circumstances facing the US during the Cold War in light of the dismantling of European colonial empires and the emergence of the Third World as an independent force in international politics.³

The FAA states that one of its primary goals is:

The Congress declares that a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress.⁴

The general policy of military assistance states:

The President is authorized to furnish military assistance, on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the

2 For a history of the Foreign Assistance programs, see USAID website, http://www.usaid.gov/about_usaid/usaidhist.html

3 Perez, "Foreign Assistance Act of 1961"

4 Foreign Assistance Act of 1961, Part II, Section 501 which appears in "Legislation on Foreign Relations Through 2002"

security of the United States and promote world peace.⁵

Thus, the FAA comprises a mix of idealism and foreign policy concerns. The US provides aid which assists to develop third world countries and at the same time advance its own national security interests.

History of Aid

When studying the history of American military aid to Israel, three distinct stages emerge. Stage 1 was when the US first agreed to sell weapons to Israel. In stage 2, the US provided military loans to Israel – which were paid back in full, partly through the economic support fund (ESF) designed to correct the previous mistake of financing military exports with loans.

In stage 3, the US provides military grants to Israel, under the umbrella of foreign aid that Israel receives from the US. Israel also received other tangible types of aid, including loan guarantees and economic aid, which has already been phased out. These other forms of aid will be discussed briefly since they only apply to limited sections of this paper.

Beginning with the declaration of the State of Israel, Israel attempted to purchase heavy weapons from the US; however, their requests were denied. It requested artillery tubes in 1953, aircraft in 1954, and aircraft, tanks, artillery tubes in 1955 and 1956; and renewed these requests in 1960. Israel received its first weaponry from the US when President Eisenhower agreed to sell Israel 100 anti-tank, recoilless rifles in 1958. Thus, Israel turned to Great Britain and France in search of heavy weapons.⁶

However, Israel had doubts about the reliability of the Western European countries as arms suppliers, and therefore renewed its requests for weapons from the US during the Kennedy administration. In 1962, the Kennedy administration agreed to sell Israel several Hawk anti-aircraft missile batteries, thus ending the ban on US

5 Foreign Assistance Act of 1961 Section 503, *ibid*.

6 Rodman, 13-14

heavy weaponry sales to Israel. This sale opened the door for future sales from the US to Israel. On July 29, 1965, the US and Israel reached a formal agreement under which the Israel Defense Force (IDF) would receive 210 M-48 Patton Tanks as well as an upgraded cannon in addition to spare parts and ammunition. This sale marked another breakthrough in the development of American arms sales to Israel. While the 1962 sale marked the first sale of heavy weaponry to Israel, the sale was only of defensive weapons. The tanks, conversely, were offensive weapons which could be used to strike at targets deep in Arab territory.⁷

The relationship continued to grow when, on February 22, 1966, the US and Israel reached a formal agreement for the sale of American combat aircraft to the Israeli Air Force (IAF). Under the terms of this deal, the IAF would receive 48 A-4 Skyhawk attack aircraft. This deal was consummated less than a year after the tanks deal, indicating that the US was on its way to becoming Israel's main weapons supplier.⁸

In November 1968, the Johnson administration formally agreed to supply Israel with 50 F-4 Phantom aircraft. Under the terms of the deal, Israel would also receive associated ordnance, spare parts, maintenance equipment, and training. For the US, the deal signified an active commitment to become Israel's main weapon supplier, a role that they had objected to prior to the Six Day War in 1967.⁹

During the Nixon administration, the US continued to supply Israel with arms, including selling Phantom and Skyhawk aircraft at the end of 1971, and in early 1973. During 1972-73, Israel acquired additional tanks, armored personal carriers, artillery tubes, missiles, and electronic equipment from the US.¹⁰

In the middle and late 1970s Israel purchased F-15i and F-16 aircraft, and in the 1980s continued these purchases as the US continued to be the main weapons supplier of Israel. In the 1990s these weapons sales continued with Israel purchasing F-16 C/D, upgraded F-15's and surplus weapons from the US army. Among other sales, the

7 Ibid., 17

8 Ibid., 27

9 Ibid., 35

10 Ibid., 85

US provided Israel with Harpoon anti-ship missiles and Joint Direct Ammunition Bombs for the Israel Air Force.

In 1998, Israel was designated as a “major non-NATO ally,” which allows it to receive outdated military equipment the US military wishes to sell or give away.¹¹ Additionally, the US is committed to keeping Israel’s qualitative military edge (QME) over its neighbors. While for many years no definition existed as to the meaning of QME, in 2008, Congress passed legislation that defines it as:

The ability to counter and defeat any credible conventional military threat from any individual state or possible coalition of states or from non-state actors, while sustaining minimal damage and casualties, through the use of superior military means, possessed in sufficient quantity, including weapons, command, control, communication, intelligence, surveillance, and reconnaissance capabilities that in their technical characteristics are superior in capability to those of such other individual or possible coalition of states or non-state actors.¹²

Military Loans

While Israel received small military loans from the US beginning in 1959, Israel’s first significant military loan was a \$90 million loan granted in 1966. In 1970, the loan amount skyrocketed to \$545 million, and remained in that range through 1978. In 1979, as part of the Camp David agreement, Israel received \$2.7 billion in military loans to redeploy forces from the Sinai to the Negev. However, \$2.2 billion of the \$2.7 billion were high interest loans.¹³ While loans continued from 1980-1984 at an average of \$800 million a year, Israel has not received military loans since 1984.¹⁴

11 Bard, “US Aid to Israel”

12 Sharp, 1-2, P.L. 110 – 429, The Naval Vessel Transfer Act of 2008

13 Bard, “US Aid to Israel”

14 Sharp, 21-22

Military Grants

The military loans played a major role in Israel's deteriorating foreign balance of payment. In 1983 an American interdepartmental committee headed by Frank Carlucci, Deputy Head of the National Security Adviser, opined that it made no sense to finance military exports to American allies through interest bearing loans. The military hardware could not be expected to create a stream of income to repay principle and or interest. The committee concluded that foreign military sales to allies which cannot finance it themselves should be in the form of grants. In the case of Israel, it was decided that within an overall security assistance package future military sales of \$1.2 billion would be financed through outright grants, and an additional \$1.2 billion, defined as economic support funds (ESF), would be granted to facilitate repayment of principle and interest of previous loans which financed the sale of military hardware.¹⁵

Israel received its first military grant of \$1.5 billion in 1974, which was desperately needed to rebuild a depleted IDF in the aftermath of the Yom Kippur War. Consequently, Israel went into a deep debt in order to finance its ongoing arms procurement. The decision to convert military aid to military grants that year was based on the prevailing view in Congress that without a strong Israel, war in the Middle East was more likely, and that the US would face higher direct expenditures in such an eventuality.¹⁶ Grants continued at an average of \$400 million per year until 1979 when the Camp David agreements ushered in a new era of US military support for Israel and Egypt and Israel received a military grant of \$1.3 billion; which, under the provisions of the Special International Security Assistance Act of 1979, Israel and Egypt were to be provided military and economic grants at a ratio of 3:2 in Israel's favor. Grants grew through 1987, by which time they had become a steady \$1.8 billion, which would remain the annual level through 1998.¹⁷

In 1996, with repayment of previously accumulated debt gradually declining, Israel

15 Interview Amos Rubin

16 Bard, "US Aid to Israel"

17 Sharp, 22, 24-27

announced that economic aid would be phased out over a ten-year period and partially replaced by military aid. Under the plan, economic aid would be reduced by \$120 million per year and military aid would be increased by \$60 million per year. As a result, by 2008 Israel was no longer receiving economic aid, but military aid had reached \$2.4 billion.¹⁸

Additionally, at the end of 1998, Israel requested an additional \$1.2 billion in aid to fund redeployment of troops and military installations in the Judea area as called for in the Wye Agreement. Israel received \$600 million of this additional amount in 1999 and the remaining \$600 million from 2000-2001.¹⁹

In August 2007, the Bush Administration agreed to increase US military assistance to Israel to an average of \$3 billion per year over the following decade. The agreement calls for annual incremental increases of \$150 million, with aid reaching \$2.55 billion dollars in 2009 and \$3.15 billion per year for 2013-2018.²⁰

Prior to 1988, all of the military aid received from the US had to be spent in the US except for specific projects. Starting in 1988, Israel was allowed to spend a portion of the aid inside Israel. Between the years 1988 and 1990, Israel was allowed to use \$400 million for weapons procurement in Israel, as opposed to spending all the money in the US. From 1991 to 1998, the amount was increased to \$475 million. As US military aid to Israel has increased, the amount set aside for defense purchases in Israel have also increased.²¹ Currently, roughly 26% of the military aid Israel receives may be spent in Israel.

While 1988 was the first year that Israel was granted permission to use US military aid for domestic procurements, specific projects had been previously funded. In 1977, \$107 million dollars was allocated to develop the Merkava tank and \$1.3-\$1.8 billion was used to develop the Lavi airplane, until the program was terminated

18 Bard, "Israel's Bold Initiative to Reduce US Aid"

19 Bard, "US Aid to Israel"

20 Sharp, 3

21 Bard, "US Aid to Israel"

in 1988.²²

Israel receives the military aid in a lump sum in the first month of each fiscal year. The funds are placed in an interest-bearing account and the interest is used to pay Israel's debt to the US, which as of December 2006 stood at \$1 billion.²³ While Israel selects what it wishes to purchase with the aid money, all purchases must be approved by the Pentagon and the State Department.²⁴

In addition to military loans and grants, there exist many joint US-Israel military projects. Israel has received \$215 million to develop "Iron Dome", a system designed to intercept short range missiles of up to 40 kilometers in all weather conditions.²⁵ Another development project, David's Sling – a short/medium range system designed to intercept missiles between 40-300 kilometers – has received over \$130 million in the past five years.²⁶ Since 1988, Israel and the US have been developing the Arrow Anti-Missile System, a weapon with a theater ballistic missile defense capacity, to which the US has contributed more than \$400 million. In 2008, Israel began the production of Arrow III, a top tier system designed to intercept advanced missiles with nuclear tipped warheads, and the US agreed to co-fund its development.²⁷

Economic Aid

Israel received its first economic grant from the US of \$100 thousand in 1951. From 1952-62 Israel received an average of \$25.4 million annually in economic aid. Economic aid was renewed in 1972, and from 1972-74 Israel received \$50 million annually. From 1975-84 Israel received an annual average of \$615 million. In 1985 and 1986 that figure jumped to nearly \$2 billion, but thereafter, through 1999, an

22 Sharp 4, footnote 6

23 Bard, "US Aid to Israel"

24 ברט, 36, see Dayan, 456

25 Sharp, 7

26 Ibid., 8

27 Ibid., 8-10

annual average of \$1.2 billion dollars was received. Starting in 1999, economic aid was gradually phased out.

In 1985, economic aid was increased and all military loans were converted to grants. At this point, Israel was paying more in interest on loans than it was receiving in grants from the US Government. As a result, the Cranston Amendment, named after its Senate sponsor, was added to foreign aid legislation in 1984 and renewed each year thereafter through 1998. The amendment stated that it was “the policy and the intention” of the US to provide Israel with economic assistance “not less than” the amount Israel owed the US in annual debt service payments (principle and interest). For 1998, Israel received \$1.2 billion in ESF and owed the US government approximately \$328 million in debt service for direct loans, so it was apparent that the Cranston Amendment was no longer needed.²⁸

Appendix 2 – Origins of the Aid

The US was the first country to recognize Israel as an independent state. Harry Truman, acting against advice from the State Department, decided to recognize Israel's independence immediately. Since its inception, Israel has received political support from America, though it did not receive any security assistance until 1962. Economic support existed, but the US would not provide any weapons so as to prevent an arms race in the Middle East. Furthermore, the US, concerned with Soviet expansion in the Middle East, had courted those countries whose assistance was vital in combating this threat. Israel was not on the list. Adopting a policy of one sided support of Israel might have alienated Arab countries and hindered US influence in the Middle East.

Since the Kennedy administration, US Presidents, one after the other, have pledged their unshakable commitment to Israel's security. In 1978, the US celebrated 30 years of commitment to Israel's security; thus hinting to a commitment that started in 1948. The question, however, arises: where was this security commitment from 1948-1962? At a time when Israel was in dire need of weapons, it was told to look elsewhere. In order to understand why Israel is receiving aid today, it is essential to outline the changes which occurred in the early 1960s. Two main changes occurred: The first was that Israel became a strategic asset in the 1960's. The second was that Israel's plans to build nuclear weapons were revealed by US intelligence agencies, thus opening the door for US aid to Israel as will be elaborated upon shortly.

The Eisenhower administration considered Israel a liability to US plans in the region. President Eisenhower and Secretary of State Dulles courted Arab states in the hope of recruiting them into alliances designed to defend against Communist expansion in the Middle East – but this policy failed. Ben Zvi²⁹ points out that the Eisenhower administration looked at Israel in one way from 1953-1956, and another from 1957-1960. In the first years of Eisenhower's presidency, the prevailing view

29 Ben Zvi, 1998. The next four paragraphs are based on the first two chapters of the book *Decade of Transition*.

was that pressure and coercion needed to be applied on the Israeli government so that the US could secure its interests in the region. This perception was grounded on the view that the Arab-Israeli conflict was the source of an unstable Middle East. Solving the Arab-Israeli conflict was a prerequisite for building a coalition with Arab states – the key to preventing communist expansion. Israel’s unwillingness to cede territory or accept in principle the right of return was not in congruence with broader US interests.

Between 1957 and 1960, the US realized that Israel could play a central role in stabilizing the Middle East and preventing Arab pro-Western governments from being toppled. In 1958, domestic turmoil in Jordan worried the US and Britain that Hussein’s regime was in danger. The US and Britain wanted to send in paratroopers to secure Amman, but had no way of transporting them from the sixth fleet to Jordan. Syria, Egypt, and Saudi Arabia all refused US requests to use their airspace. Only Israel, despite heavy pressure from the Soviet Union, allowed them use of their airspace.

This was a watershed event in which the US began seeing the Middle East through a different prism. The strategy of solving the Arab-Israeli conflict was put aside and instead, the US approached the Middle East, issue by issue. Realizing that the instability that pervaded the region had nothing to do with Israel, that attempting to reign in Nasser had been unsuccessful, and that Israel could be counted on in a time of need; the US reevaluated the issues which for the larger part of the 1950s had painted Israel in a negative light.

Seeing Israel as a strategic asset also changed the manner in which the US addressed Israel regarding the Arab-Israel conflict. The US ceased to use coercive policies against Israel or try to dictate certain actions that should be taken. The US, when addressing these issues, limited itself to remarks of concern instead of presenting concrete plans and emphasizing the urgency with which they be implemented. These events led to the gradual emergence of the special friendship between the US and Israel, which later included increased amounts of military aid, military sales and joint cooperation over the next few decades.

An additional motive for the foreign aid and military sales to Israel emerged once Israel's nuclear program was divulged. Israel, from the outset of its existence, had initiated a project that would provide it with nuclear weapons. The point of attaining nuclear weapons was to have sufficient deterrent capabilities in a hostile region where it was greatly outnumbered. In conventional warfare, Israel was dwarfed by the armies of its Arab neighbors, both near and far. Having nuclear capabilities would send a message to Arab countries that an attempt to liquidate Israel would be met with severe consequences, and in essence, act as an equalizing force. Seeing that Israel was relying on nuclear weapons as a means to defend itself in its exceptional situation as the only country constantly threatened with extinction, the US, as a world leader, took upon itself to supply Israel with a conventional armament, reducing the chances that Israel would have to fall back on nuclear weapons as its only means of defense.³⁰

Once US intelligence discovered that Israel was building nuclear facilities, it urged Israel to halt its plans for nuclear weapons. However, the Israelis were ambiguous and vague as to what was happening in Dimona. President Kennedy attempted to pressure the Israelis into allowing inspectors to visit the site. Israel, while at first unwilling, finally agreed to allow inspectors to visit as long as they were from the US. To obtain this permission, President Kennedy, in a meeting with Golda Meir, offered to sell Hawk Missiles to Israel and suggested to her that should Israel ever come under attack, it could rely on the US. This was not a security guarantee, but it was certainly words that Israel had never heard from the Eisenhower administration. Kennedy's commitment to Golda Meir, along with his decision to sell the Hawk missiles to Israel, amounted to a turning point in American foreign policy toward Israel - one little noted until this today.³¹

As the 1960s progressed, the US persisted in applying pressure on Israel to cease its nuclear projects, but to no avail. The US and Israel finally came to the agreement that Israel would not be the first country in the Middle East to introduce nuclear

30 Benn, "Splitting the atom"

31 Hersh, 117-18. See also pages 91-128 for background and a more in-depth analysis on the subject.

weapons into its arsenal. This was the same ambiguous answer that Shimon Peres had given President Kennedy when he travelled to the US in 1963. Hence, until this day, it is known that Israel has nuclear capabilities, though it refrains from publicizing this information.

Yet America was not satisfied that Israel would not reveal its arsenal. America did not want Israel to ever have to resort to these weapons for fear that any usage of them would pull the US into a major war. Consequently, the US's military assistance to Israel began around the same time the textile factory in Dimona was revealed.

As previously noted, the idea behind US military assistance was to supply Israel with enough conventional means to rule out the need for it to fight its wars with nuclear weapons. The first weapons acquisition was Hawk anti-aircraft missiles, purchased by Israel to protect the Dimona plant. Donald Neff writes, "It was part of an effort to smoke out Israel's nuclear intention that caused Kennedy to lift the embargo on conventional weapons."³² John Hadden, former Head of the Tel Aviv CIA station wrote, "The Israelis were way ahead of us. They saw that if we were going to offer them arms to go easy on the bomb, once they had it we were going to send them a lot more, for fear that they would use it."³³

This motive as the origin of US military aid is not something discussed in the public arena. Yet from time to time there are statements made by officials which hint to this. In the late 1970s, when Israeli press was calling for Israel to succumb to American pressure to yield to Egyptian demands, Moshe Dayan publicized a short and ambiguous article under the title "We Should Remember" (עלינו לדעת), which stated that no country can pressure Israel into doing something it does not want to do. The article did not give reasons or support for this claim. Appropriately, President Carter –responding to an Israeli journalist who called for the US to threaten Israel with withdrawal of its military assistance – said that the assistance would be assured, whether or not Israel would accept America's position regarding

32 Neff, 171

33 Ibid.

the forthcoming peace agreements.³⁴ In 1996, Finance Minister Dan Merridor, in a televised interview, said that the US would not be wise to use aid as a way of pressuring Israel. He said, “When Israel is required to make tough decisions and to take risks – including security-related ones – an attempt to impair its defensive capability is the last thing they should do. The aid is, after all, granted entirely for the purpose of defense procurement and the defrayal of defense-related debts. Such a step would therefore be unwise, and I do not believe they will use the aid to pressure Israel.”³⁵

This motive was also understood by officials outside of Israel. As early as 1956, Francis Perrin, head of the French A-bomb project wrote: “We thought the Israeli Bomb was aimed at the Americans, not to launch it at the Americans, but to say, ‘If you don’t want to help us in a critical situation we will require you to help us; otherwise we will use our nuclear bombs.’” This motive came to fruition during the 1973 war when Israel used nuclear leverage to pressure Kissinger and Nixon to airlift massive amounts of military hardware to Israel. The Israeli Ambassador, Simha Dinitz, is quoted as saying at the time, “If a massive airlift to Israel does not start immediately, then I will know that the US is reneging on its promises and... we will have to draw very serious conclusions.” In 1987, Amos Rubin, economic adviser to Prime Minister Yitzhak Shamir, echoed this premise. In an interview to the *Christian Science Monitor*, he said, “If left to its own, Israel will have no choice but to fall back on a riskier defense which will endanger itself and the world at large... To enable Israel to abstain from dependence on nuclear arms calls for two to three billion dollars per year in US aid.” Since then, Israel’s nuclear arsenal has expanded exponentially, both quantitatively and qualitatively, while the US money spigots remain wide open.³⁶

This motive portrays the aid as a preventative measure. Israel received aid, not necessarily because it was an asset, but rather to prevent it from resorting to actions that would hurt the US. If this is true, it could be argued that as long as Israel has

34 Interview with advisor to previous Prime Minister

35 BBC, Nov. 8, 1996

36 Steinbach, “Israeli weapons of mass destruction, a threat to peace”

nuclear capabilities – which are unmatched by other countries in the region – aid is almost guaranteed. According to the first motive, aid was initiated because Israel proved to be a strategic asset, thus, as long as Israel continues to be an asset, aid will continue.

How relevant are these theories today? Israel's support base in the US Congress is robust, compounded with strong support from the American public. The foreign aid bill is one which enjoys bipartisan support from both houses. Furthermore, congressmen have never alluded to the claim that military aid is provided to Israel only out of nuclear concerns, but rather continue to show support for Israel irrespective of nuclear concerns. The US Congress has been a strong supporter of Israel, in every way possible, since Israel's inception – regardless of the position of the US administration and State Department.

While the origins of military sales may have been preventative action, the evolution of the US-Israel relationship over the last 40 years has gradually grown to a level of unmatched strategic cooperation between the two countries. In 1993, Al Gore commented that US-Israel relations had reached an all-time high. Therefore, it may be asserted that the enhanced strategic cooperation has transformed the relationship from Israel being a strategic asset or the US keeping tabs on the bomb, to a mutually beneficial relationship in all areas.

Israel's contribution to the US has caused high ranking officials to heap praise on the level of support Israel receives. Alexander Haig, former Secretary of State, said that "Israel is the largest American aircraft carrier in the world that cannot be sunk, does not carry even one American soldier, and is located in a critical region for American national security."

Appendix 3 – Examples of Pressure

Pressure is a foreign policy tool that has been utilized by US administrations dating back to Eisenhower with the purpose of obtaining various concessions from Israel. The types of pressure have varied over the years, often depending upon the nature of the relationship at that specific time. The nature of the relationship has broadened over the years giving the US increased means to apply pressure. This section will explore instances where the US has applied pressure on Israel. They are not limited to usage of military aid, but rather apply to all types of pressure that have been applied.

Analyzing military aid as an independent variable and its being granted or withheld as a means of pressure on Israel is difficult, since its usage or non-usage to pressure Israel does not accurately reflect its strength in manipulating the relationship. When a US administration searches for a way to attain a foreign policy goal it looks to the options at its disposal. Those include political pressure, aid, withholding technology, cancelling joint exercises, halting intelligence sharing, withholding weapons sales, indifference at the UN, cancelling low level meetings, etc. The choice of which pressure to apply is an outcome of domestic factors – Congress, AIPAC and the general public; though international factors may also play a role. While a certain goal may be reached through the usage of a variety of pressures, there might be an unwanted backlash as a result. Thus, the choice of which component to use as pressure is meticulously chosen.

This section establishes that pressure has been applied on many occasions in many different categories. The more areas where Israel is receiving assistance from the US, the more the US will be able to apply pressure and receive concessions from Israel. Israel has friends within the US government who are willing to fight against that pressure, though they are often being used to secure other parts of the relationship. Therefore, if there is a part of the relationship which is not critical, Israel is wasting political capital by attempting to continually secure it.

The principle goals of foreign aid are to strengthen the influence of the donor in

the recipient state, provide markets for the donor's goods and services, and deny adversaries influence and access.³⁷ Yet, there are no free lunches. With aid come expectations. Any donor state expects its actions to be reciprocated by the recipient state.³⁸ Though, failure to accommodate the donor state does not necessarily lead to the removal of aid. Pressure can be applied in different forms on the recipient state. The more a state receives aid, the more its maneuvering ability in foreign policy with the donor state is hindered – it is compelled to acquiesce to policies that it would rather not accept.

The US uses the promise of foreign aid or the threat of cutting it off as leverage in political bargaining with recipient states. For example, in the late 1980s when Pakistan proceeded with a nuclear weapons program despite US warnings, a sizable flow of US aid was terminated. Then, when Pakistan supported US military action in Afghanistan in 2001, US aid was restored. In 2004, the US launched the Millennium Challenge Account, which increases US aid, but only to governments with certain policies, such as rule of law, control of corruption, investment in education, and sound fiscal management.³⁹

Sometimes aid is given to a country as a preventative measure. In this case, the country which provides the aid expects that through the aid the recipient country will refrain from certain actions, sometimes as a result of the aid itself, and sometimes as a gesture of good will for receiving the aid. In this instance, the country which provides the aid cannot flex its muscles at the receiving country. Halting aid could potentially be counterproductive, and the country providing the aid will be more forgiving of violations or inappropriate behavior of the receiving country. Take Pakistan, for example, who receives almost three billion dollars in aid from the US. Many members of Congress are questioning the effectiveness of that aid. The State Department has emphasized that aid is important and should not be removed. Removal of aid could lead to terrorist groups obtaining nuclear weapons or political power in a region that could explode at any moment. Even if the goals of the

37 Cantor, 378

38 Interview Amos Yaron

39 Goldstein, & Pevehouse, 484-87

aid are not being accomplished, they are preventing other events from occurring.⁴⁰ This holds true for Lebanon, for example: after a cross-border shooting killing an Israeli soldier, aid to Lebanon was up for debate. Here, too, the State Department stated the importance of Lebanese aid. These are examples where aid has been given in the hope that it could possibly affect policy; and despite the violations and symptoms that indicate that the aid is counterproductive, the US administration is not removing the aid out of fear that doing so would be more detrimental to US interests.⁴¹

One of the first examples of US pressure on Israel came during the B'not Yaacov Water Crisis. In 1953, UNTSO's Chief of Staff, General Bennike, decided that Israel had to refrain from any additional activity in the demilitarized zone until it obtained Syrian consent to the digging of a water diversion canal there. When Israel refused to comply, President Eisenhower suspended the transfer of \$26 million, earmarked under the Mutual Security Act of 1953 as an economic aid grant.⁴²

In 1956, Israel's Sinai campaign threatened US-Israel relations. As a result of Israel's refusal to heed American warnings against entering into war, the US imposed a series of sanctions on Israel. The US suspended ongoing negotiations over a \$75 million loan between the Export Import Bank and the Israeli government, suspended its Food Surplus Agreement with Israel, and held an economic and technical assistance program in abeyance.⁴³ When these sanctions did not bear fruit, the administration threatened that continued Israeli recalcitrance would lead "to most serious measures such as the termination of all [American] governmental and private aid, U.N. sanctions, and eventual expulsion from the U.N."⁴⁴

At the start of his administration, Richard Nixon felt that it was incumbent upon the US to save Israel from its own destruction. When Nixon saw fresh signs that Israel

40 Kronstadt, 49-91

41 Haaretz, "Lebanon: We'll reject military aid if weapons can't be used against Israel"

42 Ben Zvi, 1993, 41

43 Ibid., 61

44 Ibid., 64. Quoted from a message delivered by Undersecretary of State, Herbert Hoover Jr., to Minister Shiloah on Nov. 8, 1956.

was developing an atomic bomb and showing little interest in restarting the peace process, he indefinitely postponed the delivery of F-4 Phantoms that President Johnson had promised Israel just before he left office.

In the fall of 1969, Israel learned that by year's end, the State Department intended to propose a comprehensive settlement that would return all Egyptian territory conquered in the Six Day War, in exchange for peace talks with Nasser. "You are in for a hard time," one White House insider informed Yitzchak Rabin. "The administration has decided to give in on a total Israeli withdrawal, at least in the Sinai." Two months later, the Secretary of State declared that Israel's relationship with the US depended on its willingness to accept the territorial concessions outlined by the state department.⁴⁵

While Israel has withstood US pressure in the past, Israel has capitulated in the face of US pressure many times because of its dependence on America. Zbigniew Brzezinski told Jimmy Carter that without applying pressure on Israel there could be no chance of a peace agreement between Israel and Egypt, since Israel views the US as a pipeline of support.⁴⁶ During shuttle diplomacy, in the face of Israeli objections to Hafetz Assad's demands, Kissinger turned to President Nixon for help. Nixon wrote to Golda Meir and warned her not to let Israeli actions jeopardize favorable trends in the area. Otherwise, the US, out of friendship for Israel and a sense of responsibility, would have to reexamine the relationship between the two countries.⁴⁷

The US viewed the 1973 Geneva conference as having great significance. The Israeli government had objections about the USSR being a part of the conference, as well as objections over Palestinian representation. Nixon wrote a letter to Golda Meir and concluded in warning that the US would not tolerate Israel's refusal to attend the Geneva conference and that he would no longer be able to justify support for Israel if it did not send its representatives to Geneva.⁴⁸

45 Little, 104

46 Brzezinski, 88

47 Quandt, 244

48 Ibid., 222

During President Gerald Ford's term, pressure on Israel continued not cease. Israel's refusal to relinquish the Gidi and Mitla mountain passes in the Sinai prompted President Ford to send a letter to Israel threatening a reassessment of American policy if a second Sinai agreement was not achieved.⁴⁹ President Ford wrote that he was "disappointed to learn that Israel has not moved as far as it might. The US would not finance a state of deadlock that would damage its interests. If Israel were not more flexible, the US would drastically reassess our policy towards Israel."⁵⁰

As Bill Clinton entered his first term as President, it was speculated that Israel might have to "do more with less." Israel was going to have to deal with an administration which intended to spend more domestically and less abroad. Clinton's view was that America could not be powerful in the world unless it was strong at home. As he said in a speech to B'nai B'rith in 1992, "Without a growing economy, without a strong, stable and secure American middle class, America's commitment to Israel will always be under pressure." A top policy advisor to Jimmy Carter and later aid to Clinton assessed the impact of Clinton's spending priorities on Israel. "In the long term, we are talking about less aid and more trade." Thus, the aid felt Israel should learn to wean itself away from \$1.2 billion in US nonmilitary assistance, and must not take for granted the \$1.8 billion in military aid. Foreign aid was never popular, and it constitutes only 0.9 percent of the US federal budget; but analysts believed at that point that the level of aid would be cut to all recipient countries.⁵¹ Senator Patrick Leahy's visit to Israel shortly after the election increased those worries of possible aid cuts.⁵²

In 1997, Defense Minister, Yitzchak Mordechai stressed to Congressman Sonny Callahan the importance of keeping the military aid to Israel intact. Meeting with Callahan, Mordechai spent two hours briefing him on developments in the region and relaying that Israel appreciates and needs the \$1.8 billion annual military aid it

49 Pollock, 186-87

50 Ben Zvi, 1993, 95

51 Makovsky, "Clinton aide on aid to Israel: 'Do more with less' "

52 Gordon, & Cohen, "Leahy visit prompts debate on need for US aid"

receives from the US.⁵³

In 2002, the State Department originally proposed \$200 million in subsidized US military sales to Israel. However, after Israel's armed incursion into Palestinian controlled territory, the White House budget office deleted the item from the spending proposal sent to Congress.⁵⁴ When Israel began to build the security fence in 2003, reducing loan guarantees was raised among US officials as a way of penalizing Israel.⁵⁵ The mere fact that the US Administration chooses not to cut aid is a telltale sign that the option remains on the table.⁵⁶

In 2005, under pressure from the Bush administration, Israel agreed to cancel an arms deal with China. Under the agreement, Israel signed a memorandum of understanding with the Pentagon that gives US officials discretion over the terms of future Israeli arms exports. The agreement aimed to resolve a dispute that arose over Israel's plans to provide spare parts for a fleet of harpy armed drone aircraft it sold to China in the 1990s with US approval. The Pentagon ended cooperation with Israel on at least one joint weapons project and ceased contact with a senior official in the Israeli Defense Ministry.⁵⁷

In 2009, concern was raised within the Defense Ministry that President Barack Obama would use aid as a way of pressuring Israel to destroy disputed outposts in Judea and Samaria. A senior Defense official remarked that George Mitchell is a known opponent of the outposts and settlements and that the US may try to use the military aid as a way of pressuring the new government into dismantling outposts and freezing construction in settlements. Defense officials speculated that if the US decided to cut the funding, it would not say it was doing so due to outposts and settlements, but would cite the global financial crisis as the reason.⁵⁸

More worrisome than using aid as leverage in foreign policy is the way that aid has

53 O'Sullivan, "Mordechai tells Callahan: Don't cut military aid"

54 Morgan, "Supporters consider how to increase military aid to Israel"

55 Vallis, National Post Canada

56 Kay, "Powell steps up US pressure on Sharon"

57 Wilson, "Israel set to end China arms deal over US pressure"

58 Katz, & Lazaroff, "Official fear that US may cut military aid"

penetrated into the policy planning of the Israeli government. This has occurred in two forms: aid being on the conscious of Israeli policymakers as they go about policy planning, and seeking US financial aid to assist in executing its policies. Regarding the first, Israeli policies have been planned with the question of how the US will respond lingering in the background. Regarding the second, in many instances the Israeli government has been willing to cede territories or to alter their policy based on the promise of further cash assistance or military supplies.

In the last twenty years this trend has repeated itself many times. Israel entered negotiations with Syria about possibly withdrawing from the Golan Heights. Yet, a withdrawal would only be feasible if the US would finance the necessary precautions and missile defense systems that Israel would have to install to compensate for losing strategic territory. Prior to Israel's relinquishment of the security zone in Lebanon, Prime Minister Ehud Barak asked President Clinton for \$800 million in aid to finance the withdrawal. In the Wye agreements, Prime Minister Binyamin Netanyahu requested \$1.2 billion in increased aid for the retreat.⁵⁹ Before Israel's Disengagement from Gaza, it was reported that Ariel Sharon had asked the US for a \$2.2 billion increase to finance the withdrawal. Most recently, it was reported that should Israel increase its freeze on communities in Judea and Samaria, the US would give them an extra twenty fighter planes.

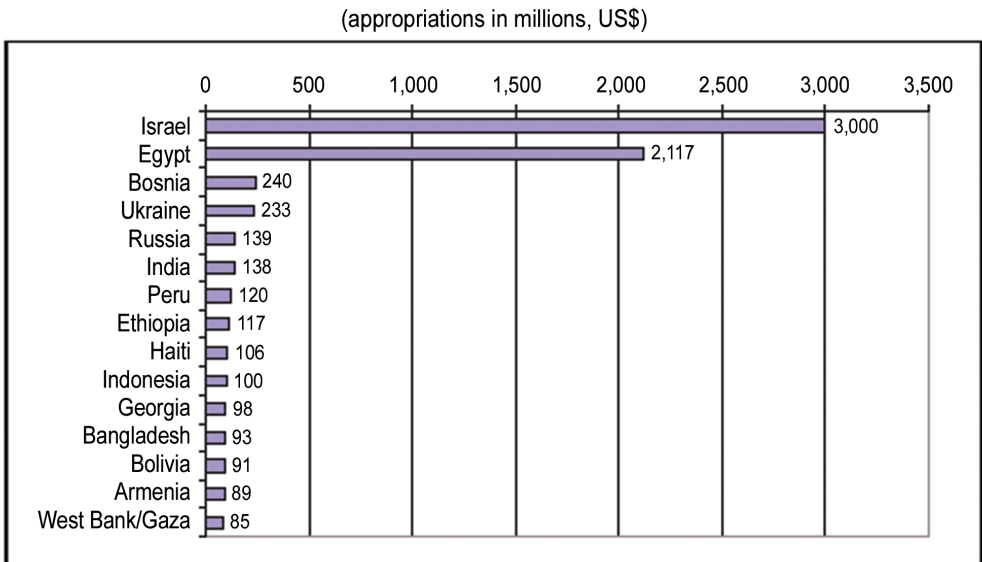
This trend is alarming since it is negligent for the political echelon of a country to make decisions, that otherwise would not be made, in return for the promise of some extra money. This point is irrelevant of whether ceding territory is positive or negative for Israel – that is debatable. Yet, aid playing a role in the decision-making process, tilting the scales to one side or the other, is inimical. This type of behavior promotes dependence on the US and a flawed decision making process which may result in subordinating Israel's strategic interests to perceived US strategic interests.

59 Mark, 2

Image problems

Israel, with a GDP ranking among the top 20 OECD countries, is not a poor country. Thus, it would seem that Israel is a country that does not need special foreign aid. Despite Israel not being poor, nor large, it receives more than a quarter of all US foreign aid. This fact is often used to show that US support of Israel is disproportionate.⁶⁰ Worse than that is the embarrassing spectacle of Israeli representatives waiting to plead their case for military aid in front of the Senate appropriations committee alongside third world countries like Bangladesh, Chad or Peru.⁶¹ This point was further illustrated during a speech given by Yossi Beilin to the Women’s International Zionist Organization in 1994: “If our economic situation is better than in many of your countries, how can we go on asking for your charity?”⁶²

Top Foreign Aid Recipients – 1998



Source: USAID and Department of State.

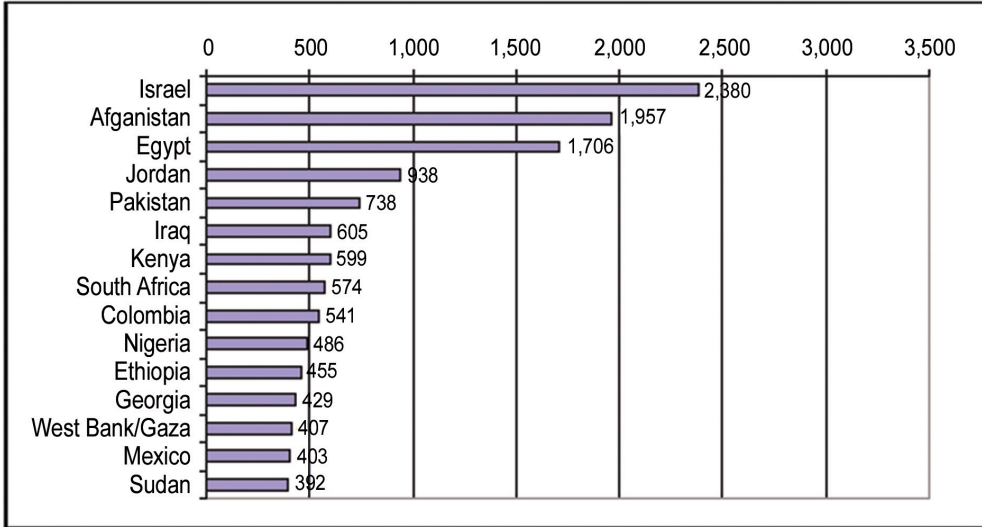
60 Zunes, 110-1

61 Stav, 73

62 Zunes, 111

Top Foreign Aid Recipients – 2008

(appropriations in millions, US\$)



Source: USAID and State Department.

Israel's dependence on the US is unhealthy to the relationship, since it was created to be an independent state, not a recipient of welfare. High levels of aid create justified expectations of reciprocity that cannot and will not always be met.⁶³

Israel must be conscious of losing self respect because of dependence on the US. If the consequence of increased dependence and continually asking for aid is diminished self respect and the loss of respect that America feels for Israel – Jerusalem may eventually also lose Washington's support. Modern Zionism criticized the turn of the century yishuv for having accustomed itself to receiving handouts from wealthy donors. It seems that Israel is manifesting some of the same symptoms.⁶⁴ An example of this was Ehud Barak's announcement, amidst the US financial crisis, that Israel will request another \$20 billion in aid over the next few decades.⁶⁵ His declaration came at a time when the US government was facing a

63 Feldman, 71-72

64 Ibid.

65 Ha'aretz Service and News Agencies, "Israel may ask US for \$20 billion more in security aid, Barak says"

shutdown due to Congressional wars over increased budget cuts. Israel has a trend of asking for aid before any major move in the peace process. This goes against the rationale of Israel's establishment - to create an independent Jewish State. It might also eventually threaten the very foundations of the unwritten alliance with the US.⁶⁶

While foreign aid might still be necessary at present, the question is, will it ever become unnecessary. There are those who claim that should there be a peace treaty or if the economy grows such that Israel can compensate for the loss of three billion dollars – it will be able to phase out the aid. However, one former government official was skeptical and said that Israel will never be able to phase out the military aid.

Israel's defense needs are increasing and so is its defense budget. While Israel has signed two peace treaties that would seemingly reduce the defense budget, the opposite has happened. The threats to Israel are coming from distant countries that in the past did not have the military capability to attack Israel. In the last decade these countries have become a clear and present danger.

A former congressional staffer noted that waiting in the hopes that peace treaties or continued economic growth will be able to compensate for the aid is a problematic argument. How much growth does Israel need for this to happen? Is the recent natural gas discovery off the Mediterranean coast not enough? There will always be other programs that will take a hit if the aid is reduced, whether it is 2012 or 2050. For Israel to boast an economy more successful than many other countries, and then open its hands for aid, is morally wrong. Furthermore, aid, in general, reinforces the notion that the Jews can be bought. The fact that Israel has a certain policy yet is still willing to change it if compensated with fighter planes or given more aid, portrays Israel as a country without a real policy, and which defies its own principles. For Israel to sit as an equal with the US, aid must be reduced.⁶⁷

66 Feldman, 71-72

67 Interview Jonathan Baron

Economic effects

In the year 2009, US military aid to Israel stood at \$2.4 billion, and in 2010 at \$2.7 billion, providing an estimated 10-12 billion shekels to the Israeli defense budget, thus freeing up money to be spent in other areas. Of the US aid, 26% is converted into shekels and used in Israel, while the other 74% is used for purchasing weapons abroad, mostly in the US. Besides weapons purchases, Israel spends various amounts on other products in America, such as uniforms or office supplies, which in turn free up shekels to be spent in Israel on defense equipment. Thus, the obvious benefit is the cushioning of Israel's defense budget, which in turn allows government money to be allocated for other projects. The foreign aid also allows Israel to manufacture its weapons in the US using the foreign aid money, as long as more than 50 percent of the costs are spent on a US company.⁶⁸ Israel can also buy weapons from other countries and produce some of the parts in the US, making the weapons more affordable.

There is a propensity among Israelis and even Israeli government officials to see US military aid as a major factor in stabilizing the economy. They claim that without the aid the Israeli economy would be in jeopardy of collapsing. While these fears may be somewhat substantiated, we intend to put the situation in proportion and allow the reader to decide. No doubt that these fears are based, and at some junctures in Israeli history this aid was necessary. From 1968-1981, Israel's defense expenditures were consistently more than 20% of its GDP. In 1973, defense expenditures were close to 30%, and from 1974-1981 the figure was slightly below 25%. However, since 1996, the defense expenditures have been consistently lower than 10% of the GDP. From 2006-2009, the defense expenditures as percentage of the GDP went down from 7.6% to 6.9%,⁶⁹ and according to Israeli sources, in 2009 it was around 6.3%.⁷⁰

Israel defense spending as percentage of the central government expenditure has also been decreasing. Between the years 2006 and 2010, defense spending dropped

68 Interview Shaul Gal

69 World Bank website indicators, Military expenditure % of GDP

70 Ministry of Finance, Israel Budget Branch, 85

from 17.3% of the central government expenditure to 15.7%.⁷¹

In 1995, Israel's GDP stood at \$93 billion, an almost four-fold increase since 1985. By the year 2000, the GDP rose to \$147 billion, and by 2007 the GDP had more than doubled its amount since 1995. The GDP for 2008 was \$204 billion, with a GDP per capita of slightly under \$28,000. Currently, Israel spends approximately 7% of its GDP on military expenditures. Thus, while economic recessions have plagued the world, Israel's economy has weathered the storm.

There are also downsides to the aid itself. Israel spends 75% of the military aid on US products. While there is certain technology that can only be bought in the US, money that could be spent in Israel is being spent overseas. Additionally, this requires Israel to buy US weapons and closes other weapons markets. For example, the F16 is not the only plane that satisfies Israel's needs – Israel could obtain similar planes from European countries.⁷² Furthermore, the obligation to spend money on only American products gives Israel very little leverage in negotiations for those products. Israel is also not allowed to install some of its own systems on products that it buys – something not required of other countries. For example, Israel cannot install its radar system in the F-16 that it buys from America. India, however, which uses its own money, can install whatever system it chooses.⁷³

Amos Yaron, former Director General of the Ministry of Defense, explained that American aid harms all Israeli defense sales. Any sale that Israel wishes to make must receive American approval.⁷⁴ In a conference held at the Begin-Sadat Center, Tzvi Rafiah, former liaison to the US Congress, mentioned that after the incident in the year 2000 when the Phalcon sale was cancelled, Israel signed a memorandum that detailed the necessary procedures that it must take should it wish to sell weapons to other countries.

Israel was pressured and eventually cancelled a deal to sell the Phalcon AWACS

71 World Bank website indicators Military expenditure % of Central Govt. Expenditure

72 Defense Ministry source

73 Interview Dan Halutz

74 Interview Amos Yaron

system to China – a sale worth about one billion dollars. Israeli officials were troubled by the request, fearing that the US was in effect asking for veto power over Israel’s arm sales. The US presented to Israel a list of 27 “countries of concern,” including China and India, where Washington would require formal consultations before Israel can negotiate arms sales, even if the weapons do not incorporate US technology.⁷⁵

Israel attempted to sell the Phalcon to South Korea, a joint ally of Israel and the US, but US pressure prevented the sale.⁷⁶ In July of 2000, the US demanded that Israel cancel the sale to India of the “Green Pine” radar system used for warning against ballistic missile launches. This system is based on technology similar to the Phalcon airborne radar system, which the US demanded that Israel not sell to China.⁷⁷

Defense pressure

American aid has hampered Israel’s ability to take care of its defense needs. During the Yom Kippur War Israel received an ultimatum from the Americans to allow for non-military equipment to reach the Egyptian third army or else there would be a crisis in US-Israel relations.⁷⁸ Moshe Dayan mentioned to Defense Secretary Schlesinger that Israel is the only country which cannot order directly from plants: Libya bought directly from French plants and Arab countries can buy weapons wherever they want. Even if Israel has the money, it cannot buy directly and is limited by the US administration.⁷⁹ After the Yom Kippur War, rifles were brought over by boat and not by plane, so as not to give the impression to the Arabs that weapons were being rushed to Israel.⁸⁰ Israel protested. Dan Halutz wrote that

75 Orme, “Americans and Israelis spar over sale of radar to China”

76 Conference BESA Center, March 22, 2011

77 Deutsche Presse-Agentur, “U.S will demand Israel pull out of India arms deal: report”

78 Dayan, 44

79 Ibid., 456

80 Ibid., 459

receiving military aid from America legitimizes aid to Israel's enemies in the Middle East, and continually undermines Israel's military advantage over its neighbors.⁸¹

During the Reagan administration – an unusually friendly one – the US used weapons sales as a way to prevent Israeli attacks or get concessions. After the Israeli airstrike on Osiraq, Casper Weinberger initiated a decision to suspend delivery of four F-16 aircraft.⁸² Following an airstrike on PLO headquarters in Beirut, the embargo extended to six additional aircraft. Weinberger commented that “Israel's future behavior toward Lebanon generally, and the ceasefire particularly, will largely determine when the ten planes are shipped.”⁸³

We have shown that a variety of pressures are applied to Israel's policymakers, some directly connected to the aid, and others indirectly. Israel, for so many years, has received aid, and to imagine a situation without it is difficult. In its first years Israel received war reparations from Germany, and when that ceased Israel began receiving aid from the US. Israel, for almost its entire existence, has been a recipient of some type of aid.

True, Israel faces enemies like no other country; not to mention that its legitimacy is still a topic for debate. When thinking strictly in material terms, the aid adds substantial material value. It helps combat these clear and present dangers by providing the army with another three billion dollars at its disposal. No one can doubt the immediate benefits. Furthermore, these instantaneous benefits threaten to handicap policymakers' judgment as to the side effects that accompany it. Unless outright disastrous, the small pressures and unpleasantness applied from time to time will be dismissed as a price worth paying. But at some juncture the negative effects that supplement the aid begin to raise doubts.

As mentioned, there are cases where specific pressure has been applied – weapons

81 Halutz, 170. This point was also mentioned by Moshe Arens, former Defense Minister, saying that aid to Egypt causes Israel to have to invest more efforts in neutralizing that threat. Although, Avraham Ben-Shoshan, former commander of the Navy, said that the Israeli army is not investing more resources on the Southern border because of American aid to Egypt.

82 Ben Zvi, 1984, 34-5

83 Ibid., 36

withheld; a threat voiced – but it is the intangible adverse effects, such as Israel’s negative image, the fact that policy is decided with the thought of aid lingering in the background, the potential for losing US public support, and the aid provided to enemies, which appeal for a reassessment of this aid. With the peculiar intersection which Israel has reached – economic recession in America, a flourishing Israeli economy, turmoil in the Middle East – and the negative effects of the aid continuing to accumulate, there is a strong case for reassessing the aid.

Appendix 4 – Israel's Dependence on America

Currently, the state of Israel receives \$3 billion in military aid each year. This figure will peak at \$3.15 billion in the next few years.⁸⁴ Foreign military aid supports Israel's military budget and the general government budget by allowing 10-12 billion shekels to be allocated to other programs.

This aid is only part of Israel's dependence on the US. Israel depends on the US for military equipment, some of which would be bought in the US regardless of military aid.⁸⁵ Israel buys airplanes, helicopters, spare parts, special ammunition, jet fuel, tank engines, and more. Some of these items can only be purchased in the US due to quality and/or availability. Thus, Israel will need to rely heavily on the US, even if it is economically independent, since all these purchases still need the permission of the Pentagon and State Department.⁸⁶

Israel's reliance on the US also extends to technology and products developed by R&D funded with US dollars. Israel is not allowed to sell these products to certain countries and needs permission to sell them to other countries.⁸⁷ Currently, the Arrow missile 1, 2 and 3, David's Sling and Iron Dome are all being developed in Israel with US dollars.⁸⁸

Yet, Israel's main dependence on the US is in its political support, the value of which is above and beyond the value of the foreign military aid. When the President of the US declares that the US is obligated to Israel's security and that the bond between Israel and the US is unshakable it sends a clear message to Israel's enemies that it views Israel as an asset worth guarding. One clear manifestation of this support is military aid, as the US is willing to invest \$3 billion in one country. Political support is also important because of the leverage that the US holds over many countries in the world. Through this political support, new economic markets may be opened to

84 Sharp, 4

85 Interview Amos Yaron, David Ivry

86 Interview Amos Yaron, David Ivry

87 Interview Amos Yaron

88 Sharp, 5-12

Israel, or Israel may be invited to be part of certain world organizations.

The support translates into the message that should a country attack Israel, it is also attacking the US.⁸⁹ In 2010, after a cross border attack on Israel's northern border, Congress responded by temporarily suspending military aid to Lebanon.⁹⁰ In the aftermath of the flotilla incident, President Obama sent a message to the Prime Minister of Turkey that he must cease his threatening remarks towards Israel.

The political support is also evident at the UN, especially at the Security Council. The US has invoked its veto power on more than 40 anti-Israel resolutions since the 1970s. These resolutions had the potential to damage Israel economically and politically. In the majority of the cases, the US was the only country to vote against the resolution.⁹¹ Other countries who abstained from voting commented that the resolutions' wording or condemnation was not strong enough.⁹² Among these resolutions were: criticism of Israel's operation in Gaza, criticism of Israeli violence in Lebanon, calls to freeze settlement building in Judea and Samaria, and the obligation to accept the fourth Geneva conventions in Judea and Samaria de jure. US support of Israel has also prevented other resolutions from being raised.⁹³

Stephen Walt, a professor of international relations and co-author of a book on the Israel lobby, stressed the importance of political support. He stated that should President Obama need to pressure Israel, he need not engage in a public fight over military aid. Rather, he could use the "bully pulpit" to express displeasure, maybe calling the settlements "illegal." He could take diplomatic steps, such as voting for a United Nations resolution condemning the 42-year-old occupation, slow down or trim US purchases of Israeli military products (worth perhaps half a billion dollars a year), and limit loan guarantees. One advantage of these measures: Congress would not be involved.⁹⁴

89 Interview Zvi Rafiah

90 Krieger, "Lebanon protests \$100 million aid suspension"

91 Bard, "US Vetoes of UN Resolutions Critical of Israel, 1972-2006"

92 Sobel, & Kosut, 32-33

93 Bard, "US Vetoes of UN Resolutions Critical of Israel, 1972-2006"

94 Francis, "US can raise the pressure on Israel without cutting aid"

It should be noted that few countries have all the resources necessary to provide for their own material needs. Dependence on other countries exists throughout the world and should not be viewed as an anomaly for Israel. However, dependency should not be enhanced or kept at status quo if unnecessary. Furthermore, dependency does not prevent a country from making independent decisions in its own interests; yet increased dependence does indeed handicap.

Appendix 5 – Linkage: Impact on US Aid to Israel’s Enemies

Since the Camp David agreements in 1979, Israel and Egypt have been receiving military aid from the US at a ratio of 3:2 – for every dollar that Israel receives, Egypt receives 2/3 of a dollar. The aid to Egypt presents a threat to Israel as a result of the Egyptian army’s receiving of advanced military equipment. Joint cooperation with the US gives Egypt access to the newest technology and allows their soldiers to be trained in the US. The corollary is the need for Israel to increase military spending in order to prepare for a better equipped Egyptian army. In 2010, Matan Vilnai, Deputy Defense Minister, said that Egypt was the number one threat to Israel. Furthermore, Israel’s military advantage is eroding due to its enemies receiving equivalent weapons capabilities. This is facilitated by Israel receiving military aid from the US. Without it, Middle Eastern countries would probably not receive the same quantity and/or quality of US weapons. If Israel relinquishes its aid, Egypt will be forced to do the same.

In conversations between Israeli and US government officials, when the topic of increasing military aid to Israel was brought up, the topic of Egyptian military aid was also raised, and it was argued that an increase in military aid to Israel should not lead to an increase in military aid to Egypt.⁹⁵

Egypt’s defense expenditures are listed at \$3 billion. However, ten years ago, an article was published which proved this number to be nearly impossible.⁹⁶ The article showed that a modest calculation of defense spending was closer to \$8 billion, and more likely about \$14 billion – a worrisome amount.

Some sources in the Defense Ministry deny that Israel spends increased amounts of money in response to the US aid that Egypt receives. Instead, according to these sources, the major threat is in the North, and that is where most of the money is being invested. Another claim voiced is that Egypt is fully dependent

95 Interview David Ivry

96 Pine, “Egypt’s defense expenditures: \$2.7 billion or \$14 billion?”

on the US for ammunition, spare parts and the resupplying of their army. Should the US cease to fund Egypt, their army would be severely paralyzed, and their ability to use weapons from the US against Israel would be minimal.

Yuval Steinitz, former head of the Defense and Foreign Relations committee, has been warning of the increasing dangers of continued Egyptian military aid. He claims that in the mid 90s, as Israel reduced military expenditures, Egypt sharply increased its military expenditures with additional exercises simulating war with Israel. In the 1980s Israel was told that it had a cold peace with Egypt, due to the fact that it is the only country that has diplomatic relations with Israel. However, since that time, Israel has improved relations with Morocco, Qatar and other moderate states, and signed a peace agreement with Jordan. Yet, peace with Egypt grew colder. Egypt has turned a blind eye to weapons smuggling, and has tacitly and sometimes even overtly supported Hamas. Compare that to the Jordanian border, where, due to efforts by Jordanian authorities, weapons smuggling is virtually non-existent. Egypt's neighbors, Sudan and Libya,⁹⁷ barely have an army. With only outdated Soviet MIGs and tanks, they possess no military threat to Egypt. Since 1996, three years after the Oslo accords, most of the general military exercises undertaken by the Egyptian army have simulated war against Israel. In 1996, for the first time, the "Badar exercises," the largest exercises of the Egyptian army, were subtitled as simulating war against "a little country northeast of Egypt." There is only one such country on the map. The indoctrination of new Egyptian officers focuses on preparation for a possible future war against Israel.⁹⁸

In a letter to Sam Gejdenson, a Democratic congressman from Connecticut who served on the House International Relations Committee from 1981 to 2001, Steinitz wrote:

The idea of defeating Israel still dominates Egyptian society. Its state-controlled media churns out terrible anti-Semitic and anti-Israel

97 Especially after Ghaddafi has been overthrown and the country is in turmoil

98 Steinitz, Presentation to JCPA

incitement. What keeps Egypt's hostility toward Israel in check is Israel's qualitative military advantage. US aid to Egypt undercuts this advantage.

Egypt has already gained decisive military superiority over all its African and Arab neighbors. The only reason for Cairo's continued armament is to prepare for war with Israel. In 1996, at the height of Israeli-Syrian tension, President Mubarak said there could be no Israeli-Syrian war without Egyptian participation and Egypt was not about to join the fray. On the surface, this sounded reassuring, but there was a double message: In a future conflict between Israel and some Arab adversary, Egypt may decide to get involved.

Ten or fifteen years ago, Egypt didn't talk about war at all. Now it constantly warns of "the danger" of regional war breaking out. Should Egypt want to participate in a regional war, it could use the defense of the Palestinians or Israel's refusal to sign the Nuclear Non-Proliferation Treaty as a pretext. What's more, the "moderate" Mubarak regime could be toppled and a fundamentalist Islamic Egypt could inherit all of the military hardware.⁹⁹ US aid would best be directed to the economic development of Egypt and not squandered on a dangerous arms build-up.¹⁰⁰

Furthermore, Steinitz warned of being ignorant to a possible repeat of a situation similar to Iran. In the 1970s, the US sought to build up Iran as a pro-Western regional superpower, and after the Islamic revolution, Iran was left with F-14 jet fighters in its possession. In the 1980s, the US backed Baghdad, thinking Iraq would act as a buffer state between Iran and the Gulf emirates. We know what happened next.

Steinitz also warned that Egypt is the leaning stick for Hamas, which has been

99 This exchange of letters was about 10 years before Mubarak's regime was toppled

100 Jerusalem Report, "Is America's annual 1.9 billion dollars in aid to Egypt counterproductive"

strengthened due to Egypt's support.¹⁰¹ All of these problematic aspects of the Egypt-Israel relationship were voiced well in advance of Mubarak losing power. For the time being, Egypt is still dealing with domestic politics, yet with increased anti-Israel rhetoric. There is public debate in Egypt over whether or not to annul the Camp David accords, Israel is used as a scapegoat for domestic problems, and anti-Israel factions have taken control of the government. In light of this, many of the aforementioned possibilities may become a reality. While the current Egyptian President has publicly said that Egypt will honor international agreements, recent military incursions in the Sinai – despite being agreed upon by Israel - and Egypt moving closer to Iran, cast a doubt on the long term effects of his statement.

101 י, כאן שטייניץ: מצרים עוינת, שר החוץ לא רצו, Ravid, 101

”הם המשענת הכי טובה של החמאס, אבל בצורה מתוחכמת הם נראים כאילו הם בציר המתון”, הוא אומר. ”בעניין הברחות הנשק. צריך לקרוא לילד בשמו ולעמוד על שלנו. אי אפשר לשמוע מהשב”כ ש-20 אלף רובים מוברחים מדי שנה לחמאס בעזה. זו כמות שמספיקה לארבע-חמש דיביות חי”ר כל שנה”, אומר שטייניץ.

”מי שמסוגל לגלות כדור של רובה שמילואימניק ישראלי שוכח בתיק כשהוא נוסע לסיני וגם להכניס אותו לכלא לחודש, ודאי יכול לגלות מכונית עם 200 רובים. בואו ניקח את ירדן כדוגמא – יש איתם גבול ארוך יותר אבל משם אין הברחות. אם חמש שנים המצרים נכשלים בסיכול ההברחות זה רק אומר שהמדיניות המצרית היא לחמש את העם הפלשתיני נגד ישראל”

”צבא מצרים מתעצם בקצב מרשים מאוד והכל מכוון נגד ישראל. כל התרגילים שלהם ממקדים במלחמה עם ישראל. בחמש השנים האחרונות המצרים מעבירים יחידות צבאיות, תשתיות ולוגיסטיקה לאזור תעלת סואץ. מכל רחבי מצרים הם מעבירים יחידות של הגנה אווירית, מטוסים וטילים לשני צידי תעלת סואץ. זה עולה להם הרבה כסף וזה מדאיג מאוד. ההתעצמות הזו מתרחשת כשלמצרים אין שום איום חיצוני”.

Appendix 6 – Congress and Foreign Policy

“The Congress shares both the power and responsibility of our foreign policy” – Ronald Reagan

“Foreign Policy must be a shared enterprise” – Henry Kissinger

Israel has a unique base of support in the US. This support, coming from the general public and US government, is unlike the support received by any other country. However, in order to maximize the potential value of that support, specifically within the US government, it is incumbent upon policymakers in Israel to understand the driving forces behind it, and the power and influence that those supporters possess in creating and shaping US policy decisions. Historically, Congress has been a true friend of Israel, in that congressional policies towards Israel have been guided not only by strategic considerations but by a deep sense of admiration and partnership with the Jewish State. Throughout Israel’s 62-year existence, the balance of power between the executive and the legislative branches of the US Government has shifted, thus the role of Congress in foreign policy may be misunderstood. Today, in Israel, Congress is not viewed as the power behind the US-Israel relationship; rather it is viewed as playing a supporting role. This misconception can negatively impact Israeli foreign policy vis-à-vis the US.

As one expert on Congressional politics noted, “Israel has no bigger friend than the Congress.” However, the same expert lamented that if Israel better understood the inner workings of the US government, US-Israel relations could have reached even greater heights. Israel’s failing to develop a stronger relationship with the Congress and instead embrace the administration and the State Department – both of whom have a history of unfriendliness towards Israel – has often led to sub-optimal results.¹⁰²

In the 1870s, Woodrow Wilson, who would serve as US President from 1913-1921, wrote an article describing Congress as controlling foreign policy, and the executive branch as having minimal input. While many political scientists both then and

102 Interview Rand Fishbein

now would disagree, Wilson's perspective does reflect the fact that Congress was a significant participant in foreign policy.

In the early years of the US, following the Declaration of Independence, Congress exercised sole authority on foreign policy in the name of the US.¹⁰³ Foreign policy was determined by the legislative branch who gave orders to the different diplomatic agents. Over time, Congress established the committee for foreign affairs and other committees to deal with specific foreign policy issues¹⁰⁴

The central government established following the American Revolution under the Articles of Confederation, lacked sufficient power and authority to cope with the problems of the day and was doomed to failure. It was as a result of this failure that the framers of the constitution understood that a new structure was necessary for the national government. However, while they realized that a government with too limited power was doomed to fail again, they were apprehensive of creating a national government with too much power. They utilized a principle which would allow for a functioning government, but one they hoped would impede a dictator trying to seize power.¹⁰⁵

The US Constitution is based upon the principle of separation of powers. While this principle does not appear in the constitution, it is clearly a result of the structure established therein. The powers of each of the legislative, executive and judicial branches are set out in different articles of the constitution, which leads to the understanding that the powers of each branch are limited. Together with the separation of powers is the interdependency of the three branches. Thus, the writers of the constitution sought to establish a system of checks and balances to ensure the political independence of each branch and to prevent the accumulation of power in a single branch.¹⁰⁶ The government they established is a government of separated institutions sharing powers.¹⁰⁷ For example, while only Congress can pass laws, the

103 Crabb Jr., Antizzo, & Saredine, 16

104 Ibid., 20

105 Epstein, & Walker, 51-52

106 Nowak, & Rotunda, 70

107 Redlich, Attanasio, & Goldstein, 271

President may veto these bills, or the courts may declare the laws unconstitutional. While the President is the commander in chief of the army and navy, Congress must pass legislation to raise armies, regulate the military and declare war.¹⁰⁸ When dealing with the US government, the principle of separation of powers must be recognized to accurately measure the strengths of each of the branches.

Justice Jackson, associate justice on the US Supreme Court, describes the essential spirit that motivates and informs the US system of government. “While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity.”¹⁰⁹ On the one hand, the US Constitution provides autonomy for each of the branches; on the other hand, it engenders interdependence.

There is a continuous ‘struggle’ between Congress and the executive concerning the extent of each branch’s role in foreign affairs. The primary question is whether the President is the initiator of Foreign Policy and Congress acquiesces or implements it, or if they are equals in the playing field of foreign policy.

Legislative powers in foreign affairs are delineated in Article 1 Section 8 of the Constitution:

The Congress shall have Power To [...] pay the Debts and provide for the common Defense and general Welfare of the United States [...] borrow Money on the credit of the United States; To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes [...] To define and punish Piracies and Felonies committed on the high Seas, and Offences against the Law of Nations; To declare War, [...] and make Rules concerning Captures on Land and Water; To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years; [...] To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions [...].

108 Epstein, & Walker, 53

109 *Youngstown co. v. Sawyer*, 343, US 579, 635, (1952) , taken from Fisher, 1998

The President's power in foreign policy has been delineated through various cases adjudicated by the Supreme Court. In the Curtiss-Wright case, President Roosevelt issued a proclamation prohibiting arms sales to countries in the Chaco conflict in South America. Congress authorized the proclamation in a joint session, but revoked it in 1935. The Wright Export Corporation continued to sell arms to Bolivia. The US Attorney General filed suit against the Wright Corporation to force it to comply with the embargo. The Wright Corporation argued that Congress had acted unconstitutionally in delegating its powers to the Executive Branch. Justice Sutherland wrote:

The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the constitution, would have vested in the Federal Government as necessary concomitants of nationality [...]. It is important to bear in mind that we are here dealing not alone with an authority vested in the President by an exertion of legislative power, but with such an authority plus the very delicate, plenary, and exclusive power of the President as sole organ of the Federal Government in the field of international relations – a power which does not require as a basis for its exercise an act of Congress.¹¹⁰

The Curtiss-Wright decision granted the President much latitude in Foreign Affairs. Moreover, the decision supported an understanding that the executive has foreign autonomy powers even absent any delegation from Congress.¹¹¹ While Justice Sutherland seemed to minimize grants of foreign powers to Congress, it is important to note that the Wright case came at a time when the President was acting in harmony with Congressional policy.¹¹² The language of the proclamation read, “Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, acting under and by virtue of the authority conferred in me by the said joint resolution of Congress...” The proclamation does not assert any inherent,

110 Schultz, Vile & Deardorff, 528

111 Redlich, Attanasio, & Goldstein, 248-49

112 Nowak, & Rotunda, 117-118

independent, or exclusive presidential power.¹¹³ Thus, the language of Justice Sutherland should be read accordingly.

Justice Robert Jackson's opinion in the case of *Youngstown v. Sawyer* (Steel Seizure Case) presents a different model of power in foreign affairs. Under the threat of an impending strike from steelworkers stemming from a refusal to raise wages, President Truman, worried that a strike could potentially impede the war effort in Korea, ordered that a factory be seized by the Federal Government. Justice Jackson suggests that Presidential power is greatest when Congress authorizes action and is least when Congress withholds power. In the latter instance the President is disabled from acting, unless the Constitution accords the President exclusive control.¹¹⁴

In 1981, the Circuit Court of Washington warned against understanding the *Curtiss-Wright* case as a "blanket endorsement of plenary Presidential power over any matter extending beyond the borders of this country." Furthermore, the phrase used by Justice Sutherland, "sole organ," was taken out of context from a speech that John Marshall delivered in the House of Representatives that used the phrase to explain that the President was carrying out his executive duties according to the treaty and defended John Adams in carrying out the treaty with England.¹¹⁵

By using the term "sole organ", Marshall's objective was to defend the authority of President Adams to carry out an extradition treaty. The President was not the "sole organ" in formulating the treaty, rather the "sole organ" in implementing it. This is in accordance with Article II of the Constitution which specifies that it is the President's duty to "take care that the laws be faithfully executed," and in Article IV, that all treaties made "shall be the supreme law of the land."¹¹⁶

The framers of the Constitution did not intend for the executive branch to have sole powers even in foreign affairs. In the *Federalist Papers*, James Madison emphasizes that "in republican government the legislative authority, necessarily predominates."

113 Fisher, 2006, 13, see footnote 100 for original source of the quote

114 Redlich, Attanasio, & Goldstein, 250

115 Fisher, 1988, 148-159

116 Fisher, 2006, 7

Alexander Hamilton, who was a proponent of executive authority, wrote these words of caution in Federalist No. 75, regarding foreign policy:

The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind as those which concern its intercourse with the rest of the world to the sole disposal of a magistrate, created and circumstanced, as would be a president of the United States.¹¹⁷

Thus, Congress, the legislative branch, must be appreciated as a potential equal to the President in regards to foreign policy. The wording "a potential equal" is used, and not "partner," because unless Congress has reason to oppose the President on foreign policy it will most likely defer. Aside from the constitution granting Congress equal power, in theory, in matters of foreign policy, it has many practical tools at its disposal to apply pressure on the executive branch when necessary.

The power of the purse allows Congress to influence processes in foreign policy which require funding. While reprogramming and transfers are techniques intended to allow the executive branch to shift funds, within prescribed limits, to purposes different from those proposed in the original budget presentations to Congress, these processes, once easily accomplished, now require not only notifying Congress but also Congressional approval. The strength of Congress is evident by the fact that the executive branch's usual response to Congressional opposition is to repackage the request or to drop it.¹¹⁸

Congress also uses earmarks, not legally binding but politically binding, which specify that specific dollar amounts be spent for specific purposes. Other Congressional funding tools include ceilings, which set the maximum amount that can be spent for a particular purpose; floors, which require at least a certain amount of money be spent;¹¹⁹ and prohibitions, which withhold funds, either conditionally

117 Fisher, 2006, 5

118 Bacchus, 159-161

119 Ibid., 164

or unconditionally.¹²⁰ Additionally, quid pro quos generally involve actions that the executive needs from Congress and for which a price is exacted. For example, the Senate can use its confirmation power of Presidential appointees to exact concessions on other issues from the President. Conditional funding and contingency funding allow Congress to impose conditions before appropriated funds are released or to impose conditions on funding in anticipation of problems that may arise in the future.¹²¹ These are nuisance types of amendments whose purpose is more to get the attention of the executive branch than to threaten or implement concrete action.¹²²

The division of power between the two branches places a heavy premium on consultation, coordination and cooperation between them.¹²³ The idea of checks and balances is not only a privilege, but rather a mandate for each branch to keep a constant check on the others to make sure that the constitution is being adhered to. Justices Jackson and Frankfurter warned against Congressional inaction or passivity towards the executive branch. Such practice invites the executive to extend the boundaries of its power and puts a strain on the constitutionally mandated balance.

Congress has demonstrated its power in foreign affairs with Israel on many instances in the past and continues to do so. While many issues reach deadlock in the Congress, issues regarding Israel may be one of the few places where there is a general consensus of support.¹²⁴ Evidence of this broad-based bipartisan support is seen each year, as US aid to Israel is always passed with overwhelming support. Between 1970 and 1977, Congress increased aid to Israel by \$703.5 million above what the president had requested. These requests were even more impressive in light of the unpopularity of foreign aid in Congress and the propensity to cut, rather than increase aid to specific countries, as evidenced by Congress cutting foreign aid to other countries by 23.5 percent during the same time period.

Congress frequently mandated that loans to Israel be offered on lenient terms with

120 Ibid., 167

121 Ibid., 170

122 Ibid., 174-5

123 Fisher, 150

124 Interview Yoram Ettinger

extended repayment options and even waived repayment on several debts incurred by Israel during this period. In 1974, Congress provided \$133 million for the Department of Defense to relieve Israel of a special debt incurred as a result of the American re-supply of weapons to Israel during the October 1973 war.

Congress has provided increased aid to Israel even against the administration's wishes. Congress allocated \$50 million in security supporting assistance to Israel in the 1972 foreign aid bill despite a threat by John Hannah, Administrator of the Agency for International Development, to impound the funds. Congress appropriated \$275 million in unrequested funds for the "transitional quarter" between fiscal years 1976-77. Although the President openly threatened to veto the appropriations, Congress insisted that its appropriations were necessary for Israel's defense.¹²⁵

In addition, Congress has independently initiated various foreign aid programs. In 1969, it appropriated \$20 million for the purpose of constructing a nuclear power plant and a desalinization plant in Israel. In fiscal years 1970 and 1971, Congress approved several small grants for American schools and hospitals in Israel. From 1973-77, Congress provided a total of \$141.5 million in unrequested funds to settle Soviet Jewish refugees in Israel. Congress has also earmarked funds for Israel to emphasize its support for Israel, and has required the President to forgive loans to Israel while earmarking them for repayment, thus preventing the executive branch from using the loan forgiveness as a bargaining chip with Israel.¹²⁶

Congress has also initiated legislation to defend Israel. The Foreign Assistance Act of 1961 includes several examples of Congressional restrictions on American foreign assistance designed to prevent aid that might be harmful to Israel. In 1974, in response to concern over growing weapons sales to countries that could harm Israel and jeopardize Israel's ability to defend itself, Congress approved a Foreign Assistance Act amendment granting it veto power over government-to-government sales of defense equipment of over \$25 million. This provision was strengthened in 1976 by extending this veto right to "major defense equipment...in the amount of

125 Feuerwerker, 29-31

126 Ibid., 31-33

over \$7 million.” Additionally, Congress lengthened the period for consideration of a resolution of disapproval to 30 calendar days and utilized this tool to challenge proposed arms sales to certain Arab countries.¹²⁷

Congress used legislative measures to insure that arms sales to Israel would not be delayed, and legislated that the President be allowed to provide Israel with unlimited quantities of aircraft and related weaponry by credit sale. Congress further expressed its support by showing its opposition to the Arab boycott of Israel. In 1976, Congress approved a bill sponsored by Senator Abraham Ribicoff denying certain tax benefits to American corporations participating in or cooperating with international boycotts.¹²⁸ On numerous occasions Congress has sent letters to the President reaffirming the members' support for Israel, expressing their willingness to provide the aid necessary for Israel, as well as passing resolutions asserting their solidarity with Israel.¹²⁹

In contrast to their support for Israel, in cases of crises with other countries, Congress has demonstrated irreconcilability and firmness in order to influence a reluctant or hesitant administration to adopt more coercive and punitive measures.¹³⁰ Yet it was Congress who would not tolerate harsh measures taken against Israel. After President Ford announced his reassessment policy, 76 senators signed a letter to the President suggesting that he should be responsive to Israel's security and economic needs and urging him to make it clear that the US stands with Israel.¹³¹

After the Gulf War, when Israel's relevance as an ally was being debated, it was Senator Arlen Specter who proclaimed that the US-Israel relationship is mutually beneficial. Furthermore, he mentioned that joint projects need to be initiated between the countries and offered a formula:

127 Ibid., 33-35

128 Ibid., 35-37

129 Ibid., 37-40

130 Ibid., 19, see Pollock 197

131 Ben Zvi, 1984, 18

To strengthen this alliance, I am proposing that the US Congress create an ad hoc US-Israel Strategic Cooperation Advisory Committee. Such a committee would institutionalize strategic cooperation and serve as a forum that can readily provide information to both the executive and legislative branches about US-Israel relations. It would also serve to propose specific cooperative military arrangements in the areas of prepositioning, intelligence exchanges, joint weapons and development projects, joint training exercises, upgrading weapon systems and many others.¹³²

This suggestion was actualized by Specter and other Senators who created a caucus to protect US-Israel military links.¹³³

In May 1998, it was reported that President Clinton had issued an ultimatum to Prime Minister Netanyahu to compromise by ceding certain territories to the Palestinians. Congress responded with a letter signed by 220 Congressman saying that forcing Israel to swallow US initiatives would be counterproductive. Newt Gingrich, Speaker of the House, condemned the behavior of the White House. Bill Paxon, Rep. from New York, called the administration's initiative “absolutely outrageous... nothing short of extortion when it comes to trying to force the hand of Israel.”¹³⁴

Later that month, an eight member bipartisan congressional delegation arrived in Israel to further express its support for Israel. The group reiterated that regarding the peace process Congress is on Israel's side, “come what may.” Rep. Benjamin Gilman (R-N.Y.), Chairman of the House International Relations Committee and leading his own delegation in Israel simultaneously, remarked that no matter what pressures the administration applies to Netanyahu, the Israeli leader is on firm ground with Congress. “We're here to demonstrate on both sides of the aisle our strong support for the State of Israel... And Mr. Prime Minister, we want you to know that despite all your trials and tribulations, both internally and externally, you have many good friends in the Congress.”¹³⁵ This message was at odds with the

132 Specter, “Time to fortify US-Israel ties”

133 Kaplan, “Senate caucus to protect US-Israel military links”

134 Strobel, “Netanyahu says he may boycott talks; Clinton denies issuing an ultimatum”

135 Hockstader, “Visiting US Legislators back Netanyahu in dispute with Clinton”

administration's strategy to pressure Netanyahu into making concessions.

This unwavering Congressional support was further expressed by Senator Joe Lieberman when reports arose that the US might try to pressure Israel concerning loan guarantees. While in Israel, Lieberman said, “Any attempt to pressure Israel, to force Israel to the negotiating table by denying Israel support will not pass the Congress of the United States.”¹³⁶

While Congress has always been a major supporter of Israel, there are still those who view Congress’s role as secondary in Middle East policy.

US Middle East policy is not made by Congress. It is formulated by the President... Through Congress, the lobby¹³⁷ can set parameters within which the President can operate, but decisions affecting peace and security are in the hands of the person in the Oval Office. And how does the President determine policy toward Israel? It is based in large measure on ideology.¹³⁸

This view has been echoed by other Congressional experts, who claim that the US-Israel relationship starts with the policy of the President. Congress can assist when there are roadblocks, yet without the President there is no friendship.¹³⁹

Israel and its supporters are aware that Congress plays a role in lawmaking. However, the potential for broadening joint US-Israel programs and joint cooperation between the US and Israel has not been utilized. In fact, key Congressmen in appropriations committees would welcome increased cooperation with Israel, yet this will not occur if Israel does not tap this resource. Empirical data shows that the executive branch is the guiding force behind the US-Israel relationship, yet this is due in part to Israeli reluctance or lack of knowledge as to the uncovered potential that rests within the Congress.¹⁴⁰

136 Lyons, “Israel hits back at US loans threat”

137 In its source, this paragraph refers to AIPAC’s influence on American Middle East policy

138 Bard, 2007, 220

139 Interview Zvi Rafiah

140 Interview Rand Fishbein

Appendix 7 – US State Department and Israel

The State Department, for the majority of Israel's existence, has not been friendly to Israel. Before examining its policies towards Israel, however, it is reasonable to assume that the State Department should not be very friendly to Israel. The State Department is responsible for the foreign affairs of the US. The United States conducts affairs with more than 20 Arab countries, which means there are 20 embassies, with tens if not hundreds of employees in each of these countries. This also translates into 20 desks at the State Department. These 20 different embassies attempt to conduct amicable relations with Arab countries, as the job of the embassy is to advance relationships between America and that country. Hence, there are more than 20 US embassies in Arab countries which constantly hear from their host countries how American support for Israel is hindering America's relationship with the Arab countries. The US has one embassy in Israel, and one Israel desk at the State Department. Thus, Israel is outnumbered 20 to one.

The State Department's approach is to get along with as many countries as possible. The way for an agent to move forward in the Foreign Service is to show that he has access to high ranking officials in the country where he is serving. Therefore, every diplomat tries to be on as best terms as possible with his host country. An agent will not readily tell a foreign government that the US is disappointed with its behavior for fear of losing access to the high ranking government officials in that country, and damages his chances of promotion. A direct outcome of this approach is the manner in which the State Department views Israel, in light of the fact that there are many more Arab states.¹⁴¹

After the Holocaust, Harry Truman encouraged the British to rescind the White Paper and permit 100,000 Jews being housed in Nazi concentration camps to immigrate to Israel. US State Department officials urged Truman to be careful in promoting immigration or being supportive of the Jewish quest for a State. "The question of Palestine," Secretary of State Edward Stettinius warned, was "a highly

141 Interview Morris Amitai

complex one and involves questions which go far beyond the plights of the Jews in Europe.”¹⁴² From the outset of Israel’s existence, the State Department was opposed to the establishment of Israel, and advised Harry Truman to refrain from recognizing the new State. Secretary of Defense Forrestal claimed that America could not supply Israel with soldiers, and John Marshall complained that the Arabs would turn to the Soviets.¹⁴³ The application of pressure continued as Secretary of State Dulles told Israel to relinquish parts of the Negev so that a bridge from Jordan to Egypt could be built.¹⁴⁴ Abba Eban, in analyzing the Eisenhower’s approach to the Middle East conundrum, states:

Israel could no longer count on the US for the protection of its interests because America was resolved, chiefly for Cold War reasons, to make a very strong bid for Arab support... The first two or three years of Dulles's tenure were very unhappy years... [T]he speech that Dulles made upon returning from the ME (June 1)... did enunciate the view that the basis for Arab alienation with the West was the existence of Israel, and that the Arabs had to be reassured or compensated, as it were, for the existence of Israel.¹⁴⁵

This outlook is one which evidently still permeates State Department policy to this day. In a speech given a few years ago, a Washington expert said, “When was the last time the State Department ever forcefully advocated for an Israeli position against an Arab position? Certainly not in my lifetime, and I've been tracking these issues for nearly 30 years.”¹⁴⁶

The State Department, since Israel’s creation, has been looking to atone for this original sin. In an insightful press conference in October, 2010, State Department spokesman P.J. Crowley was hard pressed to admit that Israel is a Jewish State. Searching for words, stuttering and stumbling, he admitted that the US recognizes

142 Little, 80

143 Freedman, 254

144 Ibid.

145 Ben Zvi, 1993, 34

146 Fishbein, speech at Jerusalem conference

that Israel is, “as Israel says itself – is a Jewish state.”¹⁴⁷ However, the roots of his confusion can be traced back to 1953 in a speech given by Henry A. Byroade, Assistant Secretary of State in charge of the Near East, South Asia and African desks at the State Department. In front of the Dayton World Affairs Council, he said, “To the Israelis I say that you should come to truly look upon yourselves as a Middle Eastern state and see your own future in that context rather than as a headquarters, or nucleus so to speak, of a world-wide grouping of peoples of a particular religious faith who must have special rights within and obligations to the Israeli state.”¹⁴⁸

The State Department has long advocated an “even handed” approach to the Arab-Israeli conflict. In essence, this means adopting a posture which has been neither overtly pro-Arab nor openly pro-Israeli. With respect to arms deliveries to Israel, the even handed approach has urged restraint; and regarding territorial withdrawal, it favored a clear statement opposing Israeli acquisition of territory from the 1967 war.¹⁴⁹ However, an “even handed” approach in the Middle East conflict is unfeasible: Israel is surrounded by many Arab countries wishing that it would cease to exist. There are 22 Arab countries and just one Israel. Advocating an even handed policy toward Israel and each of the Arab states is tantamount to destroying Israel, and thus uneven. Yet, a policy of helping Israel combat all its neighbors is also not even handed, which is correctly noted by Arab countries.

Although Israel is the only real democracy in the Middle East, the State Department has continuously criticized Israel for human rights and religious violations. While there is room for discussion on this issue, it is farfetched to put Israel in the same category as Afghanistan, China, Iran and Sudan.¹⁵⁰

There are regular denunciations of Israel by the State Department for its use of

147 Press Conference P.J. Crowley, 2010

148 Alteras, 105

149 Quandt, 80

150 JTA News Agency, “US report highlights Israel religious freedom violations”, see also Haaretz, “US Slams Israel on Human Rights”, February 22, 2001, see Belfast News Letter, “US Criticises Israel and Palestine Rights Record; State Department Releases Report On Widespread Abuses”, April 2 2003,

preemptive force to stop imminent attacks on its population. Yet, the doctrine of preemption is what now guides the US military in the war on terrorism.¹⁵¹ A report released by the State Department in 2009 claimed that Israel discriminates against Muslims, Reform Jews, Christians, women and Bedouins; a sharp criticism of the only real Democracy in the Middle East.¹⁵² Although there have been many complaints from Egyptian human rights groups about their government's policies, it was congressional pressure that caused the State Department to criticize Egypt's cancellation of a human rights conference. According to congressional sources, this was the first time that the Obama Administration had used language such as "we are concerned" and "we urge" towards Egypt.¹⁵³

Over the years, the policy and strategy of the State Department has been to apply pressure to gain concessions from Israel. This strategy was explained by President Ford to Defense Minister Moshe Dayan. Ford said that American help to Israel was an investment in peace and not war: The Americans were giving Israel help on the assumption that Israel would do everything possible to make peace.¹⁵⁴ Zbigniew Brzezinski writes that in preparation for a meeting with Menachem Begin and Anwar Sadat, the US had to be prepared to use the ultimate form of pressure: stating that the refusal to accede to the US's proposal would jeopardize the US-Israel relationship.¹⁵⁵

Aid to Israel has been viewed by the State Department with caution. It has been looked at as a policy investment where revenues are to be reaped through Israeli adherence to American plans. Outlook on foreign aid can be summed up through a statement made by James Baker to the Senate Foreign Affairs Committee where he said that aid to Israel is not unconditional.¹⁵⁶ Those remarks paint US aid as a goodwill gesture or a plan in which reciprocity is expected. Israel accepts this stereotype, which is reinforced by statements of the President, such as: "we view

151 Fishbein, speech to Jerusalem conference. See the Bush Doctrine

152 Haaretz, "US State Department: Israel is not a tolerant society"

153 Al Ahram weekly, Issue 1018

154 Dayan, 457

155 Brzezinski, 254

156 Stav, 70

the aid as important to Israel's security." This statement, heartwarming as it is to friends of Israel, contains the hidden message that the US is essentially doing Israel a favor.¹⁵⁷

This idea was expressed in even more blatant terms by Casper Weinberger. In response to the annexation of the Golan Heights, Weinberger demanded, "How long do we have to go on bribing Israel? If there is no real cost to the Israelis, we'll never be able to stop their actions."¹⁵⁸ The idea of bribing Israel was expressed in a calmer statement by Henry Kissinger. When talking about Israeli Prime Minister Yitzchak Rabin, he said, "I ask Rabin to make concessions, and he says he can't because Israel is weak. So I give him more arms, and he says he doesn't need to make concessions because Israel is strong."¹⁵⁹

157 Interview Yoram Ettinger

158 Haig, 328

159 Zunes, 111

Appendix 8 – US Financial Crisis

Section 505c of the Foreign Assistance Act (FAA) states:

The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy.

The purpose of foreign assistance is to strengthen countries which America deems to be an ally, whether financially or militarily, until that country is self-sufficient. Foreign assistance was never meant to be a vehicle by which America would become attached to any specific country, regardless of its affinity.

As previously noted, Israel's dependence on the US spans many areas. While the relationship, for the time being, is grounded, the international spectrum is dynamic, bringing about many unexpected possibilities that can alter the nature of the relationship. Shimon Peres, in memoirs written 40 years ago, reflected on the strategic needs of Israel, which continue to be relevant to this day.

The interests of Israel demand – as they always have and always will – that she not be dependent on a single source of arms supply, for she may find herself the victim of a change in attitude by the supplying country. Such change may occur without any special action on Israel's part. It may be – and most often is – motivated by extraneous factors, notably by changes in relationships with other countries and not necessarily with other countries in the Middle East. The birth of new international relationships, unlike that of humans, cannot always be anticipated; nor is the gestation always apparent. Their death, similarly, is not always, if ever, a function of age or accident. A small State, much affected by international political changes, must therefore always preserve its power of initiative, seek alternative forms of insurance, follow a pluralistic policy in its international associations...

Shifts in America's arms policy towards Israel followed major changes not only in the situation in the Middle East but also in the world... An important factor, too, was the growing awareness in the US of the independence minded qualities of Israel. She had shown that she was able to stand up for herself, and even to withstand Soviet pressures. These qualities, of course, sprang from sources that were wholly Israeli. But Israel's determination not to become a victim of Soviet penetration – nor indeed to become a puppet – was nonetheless congruent with wider American interests.¹⁶⁰

Citizens of the US have witnessed massive cuts to services traditionally offered by state and local governments that have hit everything from library hours and public parks to public safety, education, and in-home care for the elderly and sick.¹⁶¹ Forty four states and the District of Columbia faced budget shortfalls for the year 2012, totaling \$112 billion, which began in July, 2011. States will continue to struggle to find the revenue needed to support critical public services for a number of years, threatening hundreds of thousands of jobs.

To balance their 2011 budgets, states had to address fiscal year 2011 gaps totaling \$125 billion, or 19 percent of budgets in 46 states. The fact that the gaps have been filled and budgets are balanced is not the end of the story. Families that were hit hard by the recession will experience the loss of vital services throughout the year, and the negative impact on the economy will continue.¹⁶²

Federal aid to states provided in the February 2009 American Recovery and Reinvestment Act, and to a smaller degree in the August 2010 jobs bill, has decreased state cuts in services and tax increases. But the aid was mostly gone by the end of the 2011 fiscal year. About \$60 billion remained to help with 2011 fiscal problems, and by 2012 only \$6 billion remained.¹⁶³ Unemployment, which peaked after the last recession at 6.3 percent, is lingering around 9 percent, and many economists expect it to remain at high levels throughout 2011 and beyond.

160 Rabinovich, 205-6

161 Financial Times

162 McNichol, Oliff, & Johnson, 1

163 Ibid., 2

Continued high unemployment will keep state income tax receipts at low levels and increase demand for Medicaid and other essential services that states provide. High unemployment and economic uncertainty, combined with households' diminished wealth due to fallen property values, will continue to depress consumption; thus, sales tax receipts will also remain low. These factors suggest that state budget gaps will continue to be significantly larger than in the last recession, and last longer.¹⁶⁴

California's woes are at the top of the list. While only recently passing a budget that would work to close the \$19 billion deficit, the state finds itself in a \$6 billion shortfall of the \$126 billion budget. In commenting on budget cuts, the Governor's chief of staff said, "There is no more easy stuff to cut; we are cutting into bone now." Experts have noted that California usually bounces back from economic recession, but in the current one, that expectation is nonexistent.¹⁶⁵ With budget shortfalls, the California Legislature reduced CalWORKs funding, a temporary financial assistance program for struggling families, by nearly \$940 million in 2011-12, a cut of approximately 16 percent compared to typical annual funding. CalWORKs welfare-to-work program provides cash assistance, employment services, and child care for 1.5 million low-income Californians, more than three-quarters of whom are children.¹⁶⁶

Budget deficits, while noticeable in California, are not limited to that state. They have also affected states like New Jersey and Illinois which faced double digit deficits reaching billions of dollars. These budget problems, including the federal deficit, will require the US to change course in order to solve the problem. Three billion dollars is not a lot of money when looking from a vantage point of deficits above five trillion dollars. However, to the taxpayer who sees his state with a deficit of fifteen to twenty billion dollars, that three billion dollars can go a long way.¹⁶⁷

There are many who believe that foreign military aid is secure; the US will not

164 Ibid., 4

165 Nargouney, "For California, a new month, a new deficit"

166 <http://californiabudgetbites.org/2011/06/22/countdown-to-2011-12-deep-cuts-to-calworks-on-the-horizon/>

167 Interview Rand Fishbein

touch it because it would hurt Israel's security. As such, the current situation is stable and there is no reason to interfere. Those who propound this outlook have a firm basis. However, the international arena is dynamic and unpredictable. Factors that are not connected to a certain country can have an effect on the relationship between those two countries.

The speaker of the House of Representatives, John Boehner, has stated that he looks to cut spending, and one of the first places will be Committee budgets. This is a prime example of how domestic conditions, irrelevant of international factors, might cause the US to cut spending on programs in a specific country. While America is no longer an isolationist country, in the end, domestic needs will always take precedence over foreign policy considerations. Therefore, it is incumbent upon Israel to be on the initiating end of foreign policy. To take examples from its past, France in 1967, and Turkey more recently, it is clear that relations with other countries, no matter how stable they may be, can change in a heartbeat.

The US Federal budget is looking to minimize a deficit of about \$1.5 trillion, and a federal debt of more than \$14 trillion. At the time of this paper's publication, Congress and the Administration are engaged in a budget war. Republicans are looking to cut \$100 billion from the deficit, while President Obama has said that cuts of that nature will hurt economic growth and cut vital programs. Democrats, who control the Senate, are less fervent than their Republican counterparts on cuts, yet they also agree that widespread cuts are necessary.¹⁶⁸

In 2011, Representative Ted Poe of Texas, suggested that the US reexamine the foreign aid bill. The US is distributing aid to about 150 countries worldwide. While he supports giving aid to Israel, there are other countries like Venezuela, Egypt, Cuba, Russia and China who are not friends of the US, and yet receive aid. However, because of the current structure of the foreign aid bill, the entire bill is included in one vote. A Congressman who supports Israel must also support all the other countries receiving aid.

168 Reuters, "Congress aims to finish 2011 spending plan", Herszenhorn, "\$32 billion in budget cuts proposed",

Ron Paul has sent a letter to colleagues in Congress proposing cutting foreign aid to Middle Eastern countries, such as Jordan, Egypt, Israel and Pakistan. He explained, “We should seek friendly relations and trade overseas, but we cannot justify lavish gifts to foreign leaders when American taxpayers are increasingly feeling the pain of our economic crisis.”¹⁶⁹

This is not the first time he has proposed cutting off aid to Middle Eastern countries,¹⁷⁰ but this time there is a possibility that this amendment might be voted on in the House. The current speaker of the House, John Boehner, has said that all amendments to existing spending will be brought to the House floor for debate. Representatives friendly to Israel will defend foreign aid and it is unlikely that it will pass; nonetheless, it will be unpleasant for them at a time when their constituents are being harmed by the current economic crisis. These are examples of a rising tide in Congress that is willing to question budget spending which in past years has been a given.

169 Rogin, “Ron Paul seeks vote to end foreign aid to Egypt, Israel, Jordan and Pakistan”

170 Ibid.

Appendix 9 – Recommendations

There are many ways to move monetary value from one location to another. If one would like to give a friend \$100, it may be accomplished through one of many actions. The simplest form is for person A to hand a \$100 bill to person B. Another possibility might be to give person B a stock or bond that will eventually mature to \$100. A third way could be for person A to give person B \$100 worth of time. A fourth way could be to set up a joint business in which there will be at least \$100 of profits if not more. The point being, that money value can be transferred in a variety of ways, and is not limited to the simplest form of transferring cash from one location to another.

At times the medium used for a process causes negative side effects. Though sometimes the process itself may be healthy, the medium used to expedite the process causes damage to the action itself. Must the United States only grant Israel assistance through the State Department foreign aid budget? Would it not be wiser for Israel to have this assistance passed through a different conduit? Maybe it would be smarter to completely phase out military aid, similar to economic aid. In order to address these questions properly a more fundamental question must be addressed: What is the current nature of the US-Israel relationship?

As previously mentioned,¹⁷¹ Israel is dependent on America for supplies and support in quite a few categories. Yet, does the relationship end there, with Israel being dependent and America giving to Israel with a free hand? If this is the case, then it is quite possible that the appropriate channel is the foreign aid budget, which is essentially charity. But if that is not the nature of the relationship, perhaps Israeli military aid should be given through a different medium.

We have already mentioned the ways that America supports Israel. Now let us try to determine whether the relationship is totally one sided. George Schulz once said:

The Foreign Affairs Budget helps us defend ourselves and to work with our allies in doing so. We have to do that on a global basis because we

171 See Appendix 4

have a global threat. That means we work with allies all over the world in this effort to enhance our own security as well as theirs.¹⁷²

Schulz's predecessor, Alexander Haig, who was also Supreme Commander of NATO, remarked about Israel:

The largest, most battle-tested and cost-effective US aircraft carrier, which does not require a single US personnel, cannot be sunk and is located at a most critical area for US national security interests.¹⁷³

Two secretaries of state, commented publicly that the nature of the relationship is closer to burden-sharing than to donor-recipient. Israel can perform actions that America needs in an expeditious manner. In an article written recently, Steve Rothman, Rep. from New Jersey, commented on America's benefits from research cooperation with Israel in developing the Arrow 3 missile and David's Sling project.

These two technologies build on the already successful Arrow 2, jointly developed by our two countries, which is already providing missile defense security to Israel and US civilians and ground troops throughout the region. The knowledge the US gains from these efforts also has a positive multiplier effect on applications to other US military and non-military uses and US jobs.¹⁷⁴

He further commented on the importance of Israel's location to the US:

With access to the Red Sea and other vital international shipping and military lanes of commerce and traffic, it is critically important to the US that Israel continues to serve as a port of call for our troops, ships, aircraft and intelligence operations.¹⁷⁵

Regarding intelligence cooperation, George Keegan, a retired US Air Force intelligence chief, disclosed in 1986 that he could not have obtained the same

172 Interview Amos Rubin. The quote is from a press conference with George Schultz in 1987.

173 Ettinger, "A two way street"

174 Rothman, "Israel aid pays US dividends that exceed cost"

175 Ibid.

intelligence that he received from Israel if he had “five CIAs.” During his interview, at which time the Cold War was still raging, he added, “The ability of the US Air Force in particular, and the Army in general, to defend whatever position it has in NATO owes more to the Israeli intelligence input than it does to any single source of intelligence.”¹⁷⁶ In addition, Sen. Daniel Inouye highlighted that “Israel's contribution to US military intelligence is greater than all NATO countries combined.”¹⁷⁷ These comments were seconded by Steve Rothman:

America’s special relationship with Israel provides the US with real-time, minute-to-minute access to one of the best intelligence services in the world: Israel’s. With Israeli agents gathering intelligence and taking action throughout the Middle East and, literally, around the world, regarding al- Qaeda, Hezbollah, Iran and Hamas, among others, the US receives invaluable information about anti-US and terrorist organizations and regimes.¹⁷⁸

During his AIPAC speech, Netanyahu disclosed: “Israel shares with America everything” that it knows about their common enemies, especially intelligence.¹⁷⁹ These comments were reiterated by Dan Halutz who remarked that he could not remember a time when Israel withheld intelligence that could help America.¹⁸⁰

At a conference in Washington DC, former National Security Advisor, General Jim Jones commented:

I can also say from long experience that our security relationship with Israel is important for America. Our military benefits from Israeli innovations in technology, from shared intelligence, from exercises that help our readiness and joint training that enhances our capabilities and from lessons learned in Israel’s own battles against terrorism and asymmetric threats.¹⁸¹

176 Gold, “Israel is no burden”

177 Ettinger, “A two way street”

178 Rothman, “Israel aid pays US dividends that exceed cost”

179 Gold, “Diplomatic dispute obscures Israel’s invaluable help to US military”

180 Interview Dan Halutz

181 James L. Jones, Speech at Washington Institute

During testimony before the House Armed Services Committee in 2007, USEUCOM commander General Bantz J. Craddock stated that Israel was America's "closest ally" in the Middle East and that it "consistently and directly" supported US interests.¹⁸²

Finally, Rothman, who sits on the House Committees for US Military and Foreign Aid, concludes that "Americans can take pride in the return on our investment in aid to Israel... The US is safer and made more secure because of the mutually dependent and beneficial relationship between the US and Israel."¹⁸³

The aforementioned are a few of many remarks which illustrate that the US-Israel relationship is not one sided, but rather mutually beneficial. Many of the above statements reflect advantages that are intangible and may not always be measured. This fact allows for anti-Israel rhetoric by repeating incessantly that Israel is the largest receiver of American foreign aid and a burden to the US. These critical comments, many as they may be, have not once succeeded in causing a revolution in US policy toward Israel.¹⁸⁴ This is because the deeply rooted strategic cooperation between the US and Israel is strong enough, as well as the deep rooted support of the general public, to withstand such attacks.

As previously noted, the US and Israel maintain strategic cooperation in many areas. Since this is the true basis of the relationship, the optimal medium for Israel to receive aid from the US would be through programs that generate joint cooperation and are of value to both countries. For example, the port of Haifa was renovated 20 years ago. This renovation benefited the US since the larger ships of the sixth fleet could now dock in the Haifa port which is a favorite among the fleet's soldiers and commanders. As the fleet sails around the Mediterranean, there is at least one

182 Gold, "Israel is no burden"

183 Rothman, "Israel aid pays US dividends that exceed cost"

184 In a story related to the author by a Congressional expert: About 20 years ago there was a Senator who was Chairman on the US Senate Committee of Appropriations, which empowered him to significantly influence federal spending, who wanted to push for a reduction in the foreign aid to Israel. Later that Senator was presented with a list of companies in his state that benefit from Israel Defense Force purchases for which many would be lost should the foreign aid be cut or reduced. The Senator's outlook quickly changed.

port at which visiting is enjoyable. The US benefited by making an investment in Israel which suited their own needs. Furthermore, the visit facilitates joint meetings between the commanders of the sixth fleet and commanders of the Israeli Navy to share intelligence and other mutually beneficial information.

Additionally, the renovation benefited Israel since the sixth fleet's visit to the port generates economic revenues for the different services provided to the US soldiers. This was a one-time American investment which produces annual returns; Israel is still benefiting from the initial investment.

There are three existing bi-national foundations: BIRD, BARD, BSF. The foundations were started more than 30 years ago and each continues to be mutually beneficial to both countries. BARD (Bi-national Agriculture Research & Development) focuses on increasing agricultural productivity. Only projects which benefit both countries are approved. Moreover, the joint research that has been conducted has brought the two countries closer in addition to bringing financial gains to both countries. BARD was started through identical donations by the US and Israel of \$40 million in 1978, with another \$15 million added by each country in 1984. While it is difficult to put a price on the value of agricultural research, BARD compiled a study in which 10 projects were examined to calculate their dollar value. These 10 projects showed benefits of an estimated \$800 million to both countries, far exceeding the amount invested in the fund. Of the more than 500 projects approved, nearly 200 have had a direct impact on American and Israeli agriculture.

The Bi-national Science Foundation (BSF) was started in 1972 with endowments of \$30 million from both countries and another \$15 million added by both countries in 1984. This foundation brings scientists together from both countries. Here, also, grants are given when the research benefits both countries. In a survey conducted among US and Israeli scientists who have taken part in the BSF program, 97.5% of the respondents considered the contribution of their research to the advancement of science in their field as very (or fairly) important. 93% attested that the cooperation between the two groups was very important.

The third such fund is the Bi-national Industrial Research and Development

Foundation (BIRD). The uniqueness of BIRD is that it allows American companies to pair up with Israeli companies. When American companies look to develop their products, they have many options. First they check domestic options and then look to bigger countries like Brazil, Russia, India and China (BRIC). Were it not for BIRD, Israel would have very little opportunity to develop the product. BIRD funds between 25 and 50 percent of the development costs, thus creating a situation where Israel is the optimal place for the product to be developed. The choice to invest in Israeli companies, as the executive director of the BIRD foundation emphasized, does not come from sentiments or emotions towards Israel. Rather, it is based on a calculation of where the maximum benefit for the company can be obtained. BIRD estimates that since its inception, revenues for the US and Israel exceed \$8 billion. This estimate, according to the foundation's director, is modest.¹⁸⁵

The common denominator between these three foundations is the mutual benefits for the US and Israel. Additionally, all the foundations have plans for expanding their activities, should their budgets increase. All three would like to approve more projects per year enabling more joint cooperation. The BSF is also looking to support initiatives involving new directions in cutting edge, multidisciplinary areas of research, characterized by complexity and diversity, such as behavioral science (combining psychology, sociology and information technology), ecology, environmental science, systems biology, alternative energy, novel water desalination and purification technologies, nano science, etc. BIRD foundation is looking to add projects in energy research as well as biotechnology.

These three organizations exhibit investments in joint projects that bring economic revenues to both countries. The principle investment in all the companies is miniscule compared to the revenues generated over the years. These models, along with the renovation of the Haifa port, serve as prototypes for future joint projects that can bring economic benefits to both countries.

In the early '90s, \$2 million was allocated by the US Congress for allied cooperation studies. The purpose of the study was to answer two questions: the first, what are

185 Interview Eitan Yudelevich

the validated requirements of the US military in the next five years? Requirements are referring to goals vetted through the system and defined as goals to be attained. The second question: what can Israel do to help advance these goals? The study produced in-depth results illustrating the different areas in which Israel could be of assistance. However, Israel never translated the study into concrete action.¹⁸⁶

There have been different suggestions as to how Israel and America could enhance their relationship through joint initiatives. For example, Israel's valuable experience in water treatment can be of assistance in addressing the water problem in America. Israel can also be of assistance in science education programs. Joint cooperation in the areas of nuclear and solar energy could be beneficial to America.¹⁸⁷ Israel should be allowed to launch America's satellites instead of China.¹⁸⁸ Additionally, development of enhanced satellite intelligence systems and other research and development could benefit both countries. The port of Ashdod can be renovated similar to the port of Haifa. This would allow the port to be of assistance to more ships in the sixth fleet.¹⁸⁹ In the future, communications warfare will be a new form of waging war. Israel and the US can join together in building systems that are immune to these types of attacks.¹⁹⁰ Israel can continue to enhance prepositioning warehouses which would allow for increased storage of American military products in Israel. Additionally, Israel can continue to help America build a footing in the Middle East.¹⁹¹

In a conference at the Institute for National Security Studies (INSS), former Head of Military Intelligence, Aharon Zeevi Farkash, suggested a reform in the structure of the aid.

In cooperation in technological development of weaponry systems, we see a significant decline from the level of cooperation that used to exist

186 Interview Rand Fishbein

187 Interview Abraham Ben-Shoshan

188 Interview Rand Fishbein

189 Interview Martin Ingall

190 Interview Menachem Meron

191 Interview Dan Halutz

compared to what we have today. In Israel there is a growing desire to have a trade off, where US aid is reduced in exchange for the enhancement of technological cooperation between the two states.¹⁹²

The aforementioned examples create a variety of possibilities for joint projects which could benefit both countries. Initiatives similar to those mentioned above present a model for restructuring the foreign aid that comes to Israel. In the past, there were periods where there was no substitute for dollars. In the early '90s, while the necessity of continued economic aid was debated, foreign military aid was considered vital since Israel was still spending around 12 percent of its GDP on defense expenditures, as opposed to the US and European countries who were spending around 4-6 percent. At present, Israel spends around seven percent of its GDP on defense expenditures, thus allowing for a reassessment of the foreign military aid which can lead to a more optimally structured security assistance arrangement. This will improve relations between Israel and the US and also Israel's standing in the world.

These recommendations are important for the State of Israel because they allow Israel and its friends in the US to focus on the appropriate type of support that Israel will need from the US in the future. That support is political support at the UN and in the international arena, and it does not cost the US a dime. Israel's army is stronger than any other army in the Middle East and can handle the threats. By attributing to the security aid in its current format – a greater premium than its worth – Israel is damaging itself.

The military aid for Israel is a cold US interest, and its support is even more overwhelming in Congress because its members have an affinity for Israel. As long as there is support for security aid in the Congress, the President will almost surely acquiesce. Why fight a losing battle in Congress, lose Jewish votes in the US, get attacked from interest groups, and exhibit hostility towards Israel when there are no political benefits? Consequently, the President requests the aid for Israel and fulfills his obligation of supporting the US's greatest ally. He is then able, if he chooses,

192 Elran, & Rosen, 73

to bash Israel in the domestic and international media, and inflict damage at the UN, while simultaneously claiming his unshakable support for Israel. How is this possible? On the one hand, the President's support is unshakable and unwavering, and on the other, he repudiates Israel in the public media.

What allows for this strange occurrence is the security aid. Anyone who questions the President or the State Department concerning their support for Israel will be immediately referred to the foreign aid granted to Israel. However, this is but a diversion. The aforementioned security aid will be requested by the President – whether he likes or dislikes Israel – as long as there is support for it in the Congress.

Therefore, it is incumbent upon Israel to restructure its policy and not give aid primary concentration. Israel and its friends must stop placing aid at the top of their agenda and focus on obtaining and preserving the political support necessary for Israel's continued safety and growth. What good will a billion dollars do, if when attacked, Israel hesitates to fire its weapons because of fear for potential international sanctions?

Additionally, because Israel's weapons purchases from the US benefit US companies and the US economy, these companies, and not Israel, should lobby Congress and the State Department on behalf of Israel and oppose withholding certain weapons from Israel. Additionally, if Israel spends less US dollars, it will be less subject to the whims of unfriendly administrations.

Moving aid to the defense budget

Israel should request that its foreign security assistance be moved to the Pentagon budget. Currently, Israel receives foreign security aid from the State Department budget. In Israel, it is called security assistance, but in the US it is called foreign aid – two words, each with a negative connotation. The word 'foreign' refers to something strange and distant, and 'aid' implies someone who cannot stand on their own, who needs help to survive. In the US, aid is given to the lower classes in society, those who are in need of government help. When one puts these two words

together, the implication is liability, i.e., the US helps the country survive.

Israel is not economically dependent on the US, and is not a liability. A way to minimize this negative stereotype is to have Israel's aid transferred from the State Department budget to the defense budget. That change would reflect the true nature of the relationship as well as mitigate perceptions of a country dependent on the US. This is also important for the US's perception of Israel. By moving the funds to the defense budget, the US is acknowledging that its relationship with Israel is mutually beneficial, and not one of dependence. Instead of Israel being defined as a liability to the US, it becomes a strategic partner. One of NATO's doctrines is burden-sharing, that all members of the treaty share the burden of work. The State of Israel assists the US in advancing its interests in the Middle East. Therefore, the source of aid that Israel receives should not be foreign aid; rather it should be viewed as burden-sharing. This idea could be materialized by moving Israel's aid to the US defense budget.

Another reason for moving the aid to the defense budget stems from the difference in relationship between the State Department and Israel's Foreign Ministry, as opposed to that of the Defense Ministry. The relationship between the Israeli Defense Ministry and the Pentagon is much closer and cordial than that of the State Department. For the Pentagon, Israel is a partner with many joint programs and maneuvers. For the State Department, the Middle East is Arabic with Israel disturbing the balance. The Pentagon and the IDF see common enemies on the battlefield, whereas the State Department sees those same enemies in a cordial negotiating setting. Additionally, since the money goes towards the purchase of weapons and joint R&D with the Pentagon, the proper place for the funds should be there and not with the State Department.

This position is disputed. Some view the foreign aid to Israel as competing with funds for other countries in the foreign aid bill. For Israel this is a fairly comfortable position since America's commitment to Israel is quite strong in comparison to other countries. Dan Halpern warned that this would change if assistance to Israel were moved to the US defense budget. He argues that this would cause assistance

to Israel to be in competition with funds allocated to the US armed services. If assistance remains where it is, Israel must only continue to cultivate the friendships it has on the Foreign Relations and Appropriations subcommittees. Moving the assistance to the defense budget would force Israel to cultivate similar friendships in the relevant armed services committee and subcommittees which is much more difficult. Additionally, America's view of Israel as a strategic asset is more likely to change than America's moral/ideological commitment to Israel which is much more stable.¹⁹³ This point is questionable at best since the US-Israel relationship, particularly weapons sales and aid, developed on the basis of strategic interests and not on moral commitment.

193 Feldman, 62-64

Afterword

The purpose of this policy paper is not solely to take a certain topic and offer possible recommendations for reform. One of the goals of the paper is to generate discussion in Israel on the topic of foreign aid – something that has been considered "holy" among the general population and many politicians – and to show that the relationship between Israel and the US can be different.

Israel's success in foreign policy is dependent on its ability to correctly evaluate its strengths and weaknesses; and for this happen, the Foreign Ministry must be in constant evaluation of its current policies to ensure they are not outdated. Since Israel is a small state, in a critical region, subject to the events in the international arena, it must never take any relationship with another country or policy as a given for the future. Rather, it must constantly initiate and search for better policies. In doing so, Israel will avoid many of the difficulties it faces today by being reactive instead of proactive.

A special thanks to Amit Halevi, Executive Director of The Jewish Statesmanship Center, (Amb.-Ret.) Yoram Ettinger for their assistance throughout the project, and to Martin Ingall and Aaron Israel whose insights, critique and encouragement were very helpful.

Bibliography

Books

Bacchus, William I., *The Price of American Foreign Policy*, The Pennsylvania State University Press, Pennsylvania, 1997

Alteras, Isaac, *Eisenhower and Israel*, University Press of Florida, Florida, 1993

Antizzo, Glenn J., Crabb Jr., Cecil V., & Sarieddine, Leila E., *Congress and the Foreign Policy Process*, Louisiana State University Press, Baton Rouge, 2000

Bard, Mitchell G., *Will Israel Survive*, Palgrave Macmillan, NY, 2007

Ben Zvi, Abraham, *Alliance Politics and the limits of Influence*, JCSS Paper 25, Tel Aviv, 1984

Ben Zvi, Abraham, *John Kennedy and the Politics of Arms sales to Israel*, Frank Cass Publishers, USA, 2002

Ben Zvi, Abraham, *The United States and Israel: The Limits of the Special Relationship*, Columbia Univ. Press, New York, 1993

Brzezinski, Zbigniew, *Power and Principle*, Great Britain, Weidenfeld and Nicholson, 1983

Cantor, Robert D., *Contemporary International Politics*, West Publishing Company, Minnesota, 1986

Dayan, Moshe, *Story of My Life*, Steinmatzky Agency Ltd., Jerusalem Tel Aviv, 1976

Elran, Meir, & Rosen, Judith, *The US and Israel Under Changing Political Circumstances*, Institute for National Security Studies, Tel Aviv, 2009

Epstein, Lee, & Walker, Thomas J., *Constitutional Law for a Changing America 4th edition*, CQ Press, 2001, USA

Feldman, Shai, *US Middle East Policy: The Domestic Setting*, Jerusalem Post and Westview Press, Israel, 1988

Feuerwerger, Marvin C., *Congress and Israel*, Greenwood Press, Connecticut, 1979

Freedman, Robert O., "Israel and the United States", *Contemporary Israel*, Westview press, America, 2009, pp. 253-298

Goldstein, Joshua S., & Pevehouse, Jon C., *International Relations 9th Edition*, Longman ,USA, 2010

Haig, Alexander M., *Caveat*, Weidenfeld and Nicholson, London, 1984

Hersh, Seymour M., *The Samson Option*, Random House, New York, 1991

Little, Douglas, *American Orientalism*, University of North Carolina Press, Chapel Hill and London, 2002

Neff Donald, *Fallen Pillars*, Institute for Palestine Studies, 1995

Nowak, John E., & Rotunda, Ronald D., *Principles of Constitutional Law 2nd Edition*, West, Minnesota, 2004

Organski, A.F.K., *The \$36 Billion Bargain: Strategy and Politics In US Assistance to Israel*, Columbia University Press, New York, 1990

Pollock, David, *The Politics of Pressure*, Greenwood Press, USA, 1982

Quandt William, *Decade of Decisions*, University of California Press, California, 1977

Rabinovich, Itamar, & Reinharz, Judah, *Israel in the Middle East*, University of New England Press, Massachusetts, 2008

Redlich, Norman, Attanasio, John, and Goldstein, Joel K., *Understanding Constitutional Law 3rd edition*, Lexis Nexis Group, USA, 2005

Rodman, David, *Arms Transfers to Israel*, Sussex Academy Press, 2005

Stav Aryeh, *The Israeli Death Wish*, Modan Publishers, Israel, 1998

Zunes, Stephen, *Tinderbox*, Common Courage Press, Maine, 2003

Articles

Al Ahram Weekly October 7-13, 2010, Issue 1018, <http://weekly.ahram.org.eg/2010/1018/eg8.htm>

Al Ahram Weekly Issue October 7-13, 2010

Bard, Mitchell G., "US-Israel Relations: A Special Alliance", Jewish Virtual Library, October, 2010

Bard, Mitchell G., "US Vetoes of UN Resolutions Critical of Israel 1972-2006," Jewish Virtual Library, October, 2010

Bard, Mitchell G., "US Aid to Israel", January 13, 2010, http://www.jewishvirtuallibrary.org/jsourc/US-Israel/foreign_aid.html

Benn, Aluf, "Splitting the Atom", Haaretz, July, 31, 2009

"California Budget Could Eliminate State Programs", News10, Dec. 5, 2010 <http://www.news10.net/news/local/story.aspx?storyid=110445&catid=2>

"Congress aims to finish 2011 spending plan", Reuters, March 16, 2011 http://www.msnbc.msn.com/id/42106970/ns/politics-capitol_hill/

Deutsche Presse-Agentur, "U.S will demand Israel pull out of India arms deal: report", July 2, 2000

Ettinger, Yoram, "A two way street", Ynet News, February 22, 2010 <http://www.ynetnews.com/articles/0,7340,L-3851844,00.html>

Financial Times.com, <http://www.ft.com/cms/s/0/2407a698-9920-11df-9418-00144feab49a.html#axzz17DloMono>

Fisher, Louis, "Foreign Policy Powers and the President", *The ANNALS of the*

American Academy of Political Science, September, 1988

Fisher, Louis, *Studies on Presidential Power in Foreign Relations: Study No.1 The "Sole Organ" Doctrine*, Law Library of Congress, Washington DC, August, 2006

Landsberg, Brian K., "Foreign Assistance Act of 1961" *Major Acts of Congress*, Macmillan-Thomson Gale, 2004, eNotes.com, May 13, 2011 <http://www.enotes.com/major-acts-congress/foreign-assistance-act>

Francis, David R., "US can raise the pressure on Israel without cutting aid", *The Christian Science Monitor*, April 5, 2010

Gejdenson, Sam, & Steinitz, Yuval, "Is America's Annual 1.9 Billion Dollars in aid to Egypt Counterproductive", *Jerusalem Report Magazine*, Sept. 9, 2002

GlobalSecurity.org, <http://www.globalsecurity.org/military/world/spending.htm>

Gold, Dore, "Diplomatic dispute obscures Israel's invaluable help to US military", *Washington Examiner*, March 23, 2010 <http://washingtonexaminer.com/node/106656>

Gold, Dore, "Israel is no burden", *Ynet news*, August 27, 2007

Gordon, Evelyn, & Cohen, Neil, "Leahy visit prompts debate on need for US aid", *The Jerusalem Post*, February 12, 1993

Haaretz, "Lebanon: We'll reject military aid if weapons can't be used against Israel", *The Associated Press and Natasha Mozgovaya*, August 11, 2010, <http://www.haaretz.com/news/diplomacy-defense/lebanon-we-ll-reject-u-s-military-aid-if-weapons-can-t-be-used-against-israel-1.307380>

Ha'aretz Service and News Agencies, "Israel may ask U.S. for \$20 billion more in security aid, Barak says", *Haaretz*, March 8, 2011, <http://www.haaretz.com/news/international/israel-may-ask-u-s-for-20-billion-more-in-security-aid-barak-says-1.347866>

Haaretz, "US State Department: Israel is not a tolerant society", Nov. 6, 2009

Herszenhorn, David M., “\$32 billion in budget cuts proposed”, New York Times, February 3, 2011, <http://www.nytimes.com/2011/02/04/us/politics/04budget.html>

Hockstader, Lee, “Visiting US legislators back Netanyahu in dispute with Clinton”, The Washington Post, May 25, 1998

"Is America's annual 1.9 billion dollars in aid to Egypt counterproductive," Exchange of letters between Yuval Steinitz and Sam Gejdenson, Jerusalem Report, Sept. 9, 2002.

JTA News Agency, “US report highlights Israel religious freedom violations”, November 17, 2010, <http://www.jta.org/news/article/2010/11/17/2741787/israels-religious-freedom-violations-highlighted-in-us-report>

Kaplan, Allison, “Senate caucus to protect US-Israel military links”, The Jerusalem Post, March 12, 1992

Katty, Kay, “Powell steps up US pressure on Sharon”, The London Times, April 22, 2002

Katz Yaakov, Lazaroff, Tova, “Official fear that US may cut military aid”, The Jerusalem Post, Feb. 24, 2009

Krieger, Hilary Leila, “Lebanon protests \$100 million aid suspension”, The Jerusalem Post, August 10, 2010, <http://www.jpost.com/International/Article.aspx?id=184290>

“Legislation on Foreign Relations Through 2002”, US Government Printing Office, Washington DC, 2003. <http://www.usaid.gov/policy/ads/faa.pdf>

Lyons, John, “Israel hits back at US loans threat”, The Australian, January 12, 2010

Makovsky, David, “Clinton aide on aid to Israel: ‘Do More With Less’”, The Jerusalem Post, November 6, 1992

Mark, Clyde R., “Israel: U.S. Foreign Assistance, Congressional Research Service”, April 26, 2005

McNichol, Elizabeth, Oliff, Phil, & Johnson, Nicholas, "State's Continue to Feel Recession's Impact", Center on Budget and Policy Priorities, March 9, 2011

Morgan, Dan, "Supporters consider how to increase military aid to Israel", The Washington Post, April 22, 2002

Nargouney, Adam, "For California, a new month, a new deficit", New York Times, Nov. 17, 2010 <http://www.nytimes.com/2010/11/18/us/18calif.html?pagewanted=1&src=twrhp>

Orme Jr., William A., "Americans and Israelis spar over sale of radar to China", The New York Times, June 16, 2000

O'Sullivan, Arieh, "Mordechai tells Callahan: Don't cut military aid", The Jerusalem Post, January 13, 1997.

Perez, Antonio F. "Foreign Assistance Act of 1961" *Major Acts of Congress*, Encyclopedia.com, February 13, 2011 <http://www.encyclopedia.com/doc/1G2-3407400136.html>

Pine, Shawn, "Egypt's defense expenditures: \$2.7 Billion or \$14 Billion?" *Ariel Center for Research and Policy*, Vol. 1, 2003, <http://www.acpr.org.il/English-Nativ/issue1/pine-1.htm>

Rogin, Josh, "Ron Paul seeks vote to end foreign aid to Egypt, Israel, Jordan and Pakistan", Foreign Policy, Feb. 16, 2011, http://thecable.foreignpolicy.com/posts/2011/02/16/ron_paul_seeks_vote_to_end_foreign_aid_to_egypt_israel_jordan_and_pakistan

Rothman Steve, "Israel aid pays US dividends that exceed cost", Bloomberg April 7, 2010, <http://www.bloomberg.com/news/2010-04-06/israel-aid-pays-u-s-dividends-that-exceed-cost-steve-rothman.html>

Sharp, J., *US Foreign Aid to Israel*, CRS Report for Congress RL33222, September 16, 2010

Sobel, Lester A., & Kosut, Hal, *Israel and the Arabs: the October 1973 War*, Facts on File INC., New York, 1974

Steinbach, John, "Israeli Weapons of Mass Destruction, A Threat to Peace: Israel's Nuclear Arsenal", Centre for Research on Globalization, March, 2003

Steinitz, Yuval, Presentation to JCPA, November 10, 2003, Jerusalem

Strobel, Warren P., "Netanyahu says he may boycott talks; Clinton denies issuing an ultimatum", The Washington Times, May 7, 1998

"US report highlights Israel religious freedom violations", JTA News Agency, November 17, 2010

Vallis, Mary National Post Canada, August,6, 2003

Wilson, Scott, "Israel set to end China arms deal over US pressure", Washington Post July 27, 2005

World Bank website indicators, Military expenditure as % of GDP, <http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?page=2>

World Bank Website Indicators, Military Expenditure as % of Central Govt. Expenditure, <http://data.worldbank.org/indicator/MS.MIL.XPND.ZS>

Television and Speeches

BBC World Broadcast Summary, Nov. 8, 1996.

Crowley, P.J., Press Conference at US State Department, Washington D.C., October 14, 2010

Fishbein, Rand, Speech to Jerusalem Conference, March 17, 2004, <http://www.science.co.il/arab-israeli-conflict/articles/Fishbein-2004-03-17.asp>.

Israeli minister: US use of aid to "pressure" Israel would be "unwise", BBC Summary of World Broadcasts, November 8, 1996

Jones, James L., *Speech given by National Security Advisor at the Washington Institute for Near East Policy*, Washington D.C., April 21, 2010

Schultz, George, Press Conference, Jan 5, 1987

Interviews

Morris Amitai, Executive Director of AIPAC 1974-1980, Personal Interview, January 18, 2011

Jonathan Baron, Communications Director to the offices of the Conference Secretary of the U.S. Senate (1996-1999) and the Majority Whip of the U.S. House of Representatives (1999-2001), Personal Interview, January 20, 2011

Avraham Ben-Shoshan, Commander of the Israeli Navy 1985-1989, Personal Interview, July 29, 2010

Edo Chalutz, Executive Director of Israel-U.S. Bi-national Agricultural Research & Development Fund, Personal Interview, April, 2010

Yoram Ettinger, May, 2010, Minister for Congressional Affairs at Israeli Embassy in Washington D.C. 1989-1992, Personal Interview, January 2011

Rand Fishbein, former national security advisor to Senator Daniel Inouye, Personal Interview, January, 2011

Shaul Gal, former financial analyst Ministry of Defense,

Personal Interview, September 2010

Daniel Hershkowitz, Minister of Science and Technology 2009-2013, Personal Interview, March, 2011

Dan Halpern, former Economic Minister at Israeli Embassy in Washington D.C., Personal Interview, May, 2010

Dan Halutz, IDF Chief of Staff 2005 -2007, Personal Interview, September, 2010

Martin Ingall, Deputy Director of Executive Branch Relations at AIPAC 1989-1992, Personal Interview, June 2011

David Ivry, Director-General of Ministry of Defense 1986-1996, Personal Interview, August 2010

Menachem Meron, Director-General Israel Ministry of Defense 1983-1986, Personal Interview, August, 2010

Zvi Rafiah, former Minister for Congressional Affairs at Israeli Embassy in Washington D.C., Personal Interview, May, 2010

Yair Rothstein, Executive Director Israel-U.S. Bi-national Science Foundation, Personal Interview, April 29, 2010

Amos Rubin, Economic Advisor to Prime Minister Shamir 1984-1988, Personal Interview, August, 2010

Amos Yaron, Director-General of Ministry of Defense 1999-2005, Personal Interview, July 29, 2010

Eitan Yudelevich, Executive Director Israel-U.S. Bi-national Industrial Research & Develop Foundation, Personal Interview, May, 2010

Hebrew Sources

ברט, רוני, "הסיוע האמירקני לישראל: הערכה מחדש", עדכן אסטרטגי כרך 10 גליון 1, 2007, 35-41

חלוץ, דן, *בגובה העיניים*, ידיעות אחרונות ספרי חמד, תל אביב, 2010

משרד האוצר, אגף התקציבים, <http://www.mof.gov.il/BUDGETSITE/STATEBUDGET/BUDGET2009/Pages/Budget2009HP.aspx>

רביד, ברק, "שטייניץ: מצרים עוינת, שר החוץ לא רצוי כאן", מעריב, דצמבר 12, 2006, <http://www.nrg.co.il/online/1/ART1/522/972.html>

רובין, עמוס, הגרעין הביטחון ומדיניות כלכלית, אוגוסט 18, 1979

שהדבר מעיד על הנחות מוטעות ביחסי ישראל ארה"ב. להלן מקצתן:

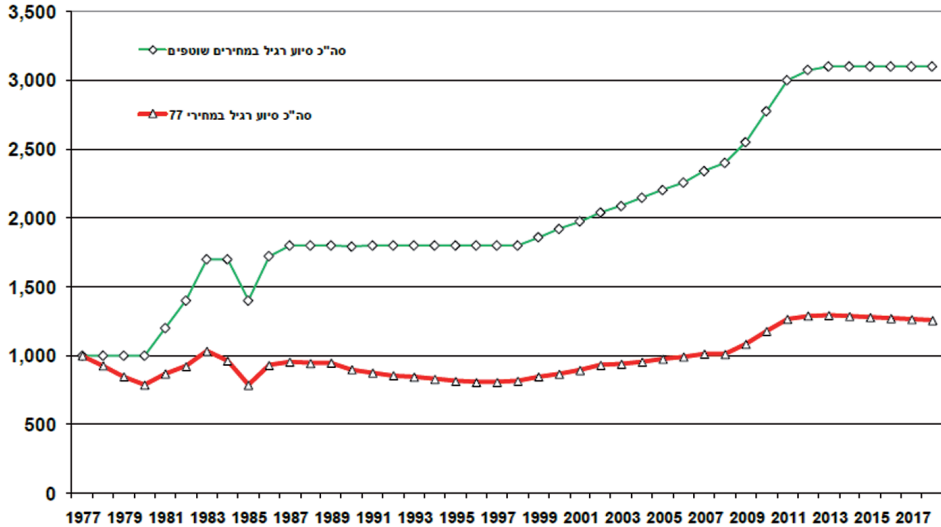
1. יחסי ישראל-ארה"ב יישארו כפי שהם לנצח – תמיכת ארה"ב בישראל בטוחה.
2. למרות שינויי הזמנים, ישראל לא צריכה ליזום שינויים במערכת היחסים שלה עם ארה"ב.
3. סיוע מארה"ב הינו מוצדק, גם כאשר כלכלת ישראל משגשגת, בעוד שכלכלת ארה"ב מצויה במשבר.

בעבר ישראל למדה בדרך הקשה שיחסיה עם מדינות אחרות אינם בטוחים. לעתים היה שינוי פתאומי, ולעתים השינוי נוצר בתהליך מדורג. ארה"ב היא המדינה היחידה שיחסיה עם ישראל מתחילים מלמטה למעלה, היינו שבסיס היחסים אינו מתחיל בדרג המדיני. ישראל חייבת להתאמץ ולהמשיך לגייס את תמיכתם של הציבור הרחב והפוליטיקאים בארה"ב. בזמן שהאבטלה נוסקת ואזרחים רבים בארה"ב מתקשים להתפרנס, סיוע למדינה, על אף שהיא ידידה, מתקבל באופן שלילי אצל האזרחים. גם עבור הפוליטיקאים קשה מאד, נוכח המשבר הכלכלי בארה"ב, לתמוך בסיוע למדינה אחרת ובמיוחד כזאת שכלכלתה פורחת.

לסיכום, חלופה זו נותנת לישראל הזדמנות מיוחדת להציג את עצמה כחלק מאסטרטגיה חדשה ליחס המערב למזרח התיכון. יוזמה זו תמצא תמיכה רחבה בקונגרס, תשפר את מעמדה של ישראל בעיני הקונגרס והציבור האמריקאי ותעצים את חוסנה של ישראל בזירה הבינלאומית.

התפתחות הסיוע האמריקאי 1977-2018

(במיליוני \$)



סיכום והערכה

חלופה זו, הכוללת חקיקה מתאימה בקונגרס, מחזקת את הקונגרס כציר המרכזי של יחסי ארה"ב ישראל – וממצבת את הסיוע כעניין השייך למדיניות פנים של ארה"ב, ולא רק מדיניות חוץ. ויתור ישראלי מרצון על סיוע החוץ, יאפשר לקונגרס, שהינו מבצר של יחס אוהד לישראל (ר' נספח 5), לשדרג את מעמדו ביחס לישראל על פני מחלקת המדינה, שיחסיה עם ישראל פחות ידידותיים (ר' נספח 7). כצעד נלווה, יוכל הקונגרס לקצץ בסעיפי סיוע חוץ נוספים, כמו אלו של מדינות ערב וגם על כך תזכה ישראל להכרת תודה, מעבר לערך העצמי לביטחון ישראל.

מעבר לצעד החיובי שיש בשינוי חבילת הסיוע, יש לציין שסיוע החוץ מארה"ב לישראל לא יישאר לנצח. יגיע הזמן שפוליטקאים או הציבור הכללי בארה"ב יתבעו להעריך מחדש את הסיוע למדינות רבות בעולם, ובכללן לישראל. התוכנית הנ"ל מקטינה את הסכנה שארה"ב תבקש לקצץ בסיוע, דבר שהיה מהווה אסון מבחינת מדיניות החוץ הישראלית ופוגע קשות במעמדה של ישראל בארה"ב, בעלת בריתה היחידה של ישראל.

במידה וישראל לא תעריך ותבנה מחדש את הסיוע, תהיה זו שגיאה בתחום מדיניות החוץ, וזאת משום

3. הסרת המגבלות על היצוא הביטחוני הישראלי במקביל להגברת שיתופי הפעולה.
4. שדרוג נמלי חיפה ואשדוד לצרכי הצי ה-6 (מעבר לשדרוג 1992).
5. הרחבת ההצבה מראש של מערכות נשק אמריקאי בישראל (טילים, מטוסים, מל"טים, טנקים, נגמ"שים, לוחמה בטרור).
6. גיבוש התכנית יעשה בשיתוף פעולה הדוק עם הקונגרס.

פירוט והרחבה:

על מנת לקדם את ההערכה המחודשת של שיתוף הפעולה בין ארה"ב לישראל, ישראל תציע הורדת הסיוע חוץ בהדרגה במהלך עשר שנים הבאות, כ-300 מיליון דולר פחות בכל שנה. סכום זה יושקע בתקופה האמורה, בפרויקטים משותפים מגוונים כמו: הרחבת שת"פ צבאי, תעשייתי ומו"פ, הגדלת ההשקעה בקרנות דו-לאומיות שכבר קיימות, הגדלת אחסנת נשק ארה"ב במחסנים ישראלים (הפרי-פוזישינינג), ועוד.

תוכניות אלה ייוצגו לקונגרס האמריקאי, שתמיכתו בישראל בלתי ניתנת לערעור. סנטאור דניאל אינווי, יו"ר וועדת הקצבות, ויו"ר תת וועדת ההקצבות לביטחון, שמפקח על כל ההוצאות הביטחוניות, יזם תוכניות דומות בעבר, ואף נגד רצון הנשיא. תוכניות אלה ישולבו בחוק תקציב הביטחון לתקופה של עשר שנים.

מטרת פרויקטים אלה להגדיל ולהרחיב את השיתוף פעולה אסטרטגי ותעשייתי בעניינים שיש תועלת הדדית לארה"ב ולישראל. תוכניות אלה עשויות להניב לישראל רווחים שיעלו על ההפסד מהסיוע שהיא מוותרת עליו (ר' נספח 9).

יזמות דומות להרחבת שיתוף הפעולה היו בעבר, כמו: שדרוג נמל חיפה ביוזמת הקונגרס שראה את הפרויקט כטוב לצי הששי. פרויקט זה הניב פירות כלכליים לישראל. קרנות דו-לאומיות כמו ביר"ד (קרן דו-לאומי למחקר ופיתוח תעשייתי) ובאר"ד (קרן דו-לאומי למחקר ופיתוח בחקלאות) מסייעות להדק את שיתוף הפעולה בין ארה"ב לבין ישראל ובו זמנית הניבו פירות כלכליים שנבעו מהמחקר (ר' נספח 9). עם המימון הנוסף, יש עוד הרבה פרויקטים נוספים שניתן לעשות: קרן דו-לאומי לתעשיות ולמו"פ ביטחוניים, פרויקטים לשדרוג שיתוף הפעולה בנושאי מים ואנרגיה חלופית, פרויקטים במו"פ חללי, וכו'. בנוסף, וועדה של מומחים משתי המדינות יוצרו, לבדוק אופציות לעוד פרויקטים שיש בהם תועלת הדדית, בדומה לאת שנעשה לפני עשרים שנה בפרויקט לשיתוף פעולה בתעשיות הביטחוניות (EDIC).

סיוע חוץ מארה"ב לישראל

(במיליוני \$)

Year	Total	Military Grant	Economic Grant	Immig. Grant	ASHA	All other
1949-1996	68,030.9	29,014.9	23,122.4	868.9	121.4	14,903.3
1997	3,132.1	1,800.0	1,200.0	80.0	2.1	50.0
1998	3,080.0	1,800.0	1,200.0	80.0	—	—
1999	3,010.0	1,860.0	1,080.0	70.0	—	—
2000	4,131.85	3,120.0	949.1	60.0	2.75	—
2001	2,876.05	1,975.6	838.2	60.0	2.25	—
2002	2,850.65	2,040.0	720.0	60.0	2.65	28.0
2003	3,745.15	3,086.4	596.1	59.6	3.05	—
2004	2,687.25	2,147.3	477.2	49.7	3.15	9.9
2005	2,612.15	2,202.2	357.0	50.0	2.95	—
2006	2,534.5	2,257.0	237.0	40.0	—	0.5
2007	2,503.15	2,340.0	120.0	40.0	2.95	0.2
2008	2,423.9	2,380.0	0	40.0	3.90	0
2009	2,583.9	2,550.0	0	30.0	3.90	0
2010	2,800.0	2,775.0	0	25.0	—	0
Total	109,001.55	61,348.4	30,897.0	1,613.2	151.05	14,991.9

חלופות והמלצות

החלופות דלהלן (על כלל החלופות ר' נספח 9) ממצבות את הסיוע במקומו הראוי במערכת היחסים בין המדינות, מתוך ראייה אסטרטגית ועדכנית ובכך נותנות מענה לבעיה העיקרית של מקומו של הסיוע כיום והתופעות הבלתי רצויות שתוארו לעיל.

החלופה המרכזית והמומלצת:

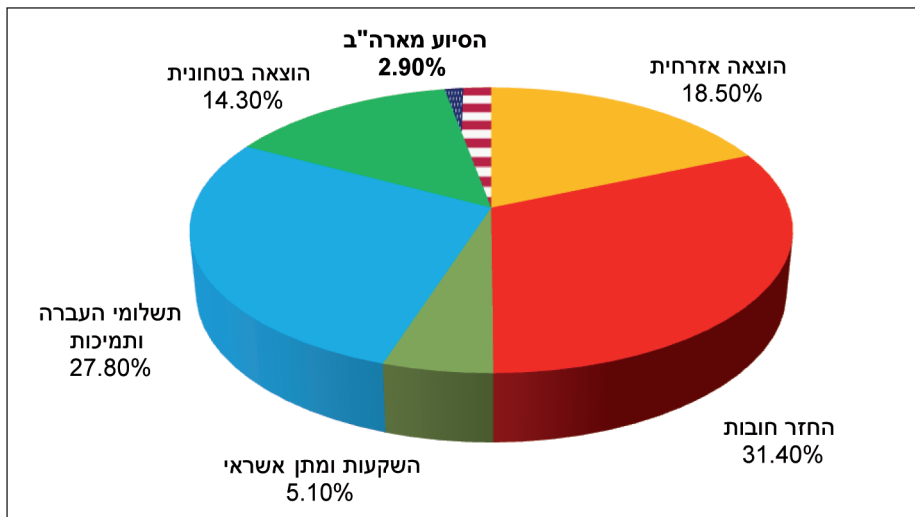
אנחנו ממליצים שישראל תתכנן חבילת שיתוף פעולה אסטרטגית חדשה שתכלול את המרכיבים להלן:

1. הורדה הדרגתית של סיוע החוץ בסכום שלש מאות מיליון דולר לשנה במשך עשר שנים.
2. ייזום קרנות לשיתוף פעולה אסטרטגי בסך שלש מאות מיליון דולר לשנה לתקופה של עשר שנים למטרת הידוק שיתוף הפעולה המחקרי והתעשייתי בתחומים ביטחוניים ואזרחיים החיוניים לשתיהן המדינות (תעשיות ביטחוניות, אנרגיה אלטרנטיבית, טכנולוגיות מים, עסקים קטנים, וכו').

הגדרת הבעיה המרכזית

העובדה שישראל מקבלת סיוע חוץ מארה"ב אינה הבעיה. הבעיה היא התפקיד הארכאי שיש לסיוע ביחסי ישראל-ארה"ב - לפני 25 שנה שימשו כספי הסיוע כקרב הצלה למדינת ישראל שהתקשתה לעמוד לבדה באתגרים הכלכליים והצבאיים (ר' נספח 3). החל משנות ה-70 של המאה הקודמת, ועם הפסקת התשלומים מגרמניה, היווה הסיוע תוספת משמעותית עבור ביטחונה וכלכלתה של ישראל, נוכח המשבר הכלכלי באמצע שנות השמונים, הגיע הסיוע לשיא של כארבעה מיליארד דולר. מאז הכפיל התמ"ג הישראלי את עצמו פי שמונה והמשק הישראלי מגלה יציבות בתוך המשברים הכלכליים העולמיים. המשך קבלת הסיוע במתכונתו הנוכחית, למרות השינויים שחלו בשני העשורים אחרונים בישראל ובארה"ב, הפך אותו למדד היחסים בין המדינות וככזה הוא מטעה ואף מזיק לישראל ולמערכת היחסים האמיתי שבין המדינות. הסיוע במתכונתו זו שייך לשנות ה-80 בהם היחסים בין המדינות היו כל כך א-סימטריים. בהתאם, מקבלי החלטות בישראל מקנים לסיוע את אותו מעמד כפי שהיה לפני 25 שנה.

אחוז הסיוע מתקציב ישראל 2010



נייר זה בוחן מחדש את מתכונת הסיוע והשלכותיו השונות ומציע מתכונת חדשה של שיתופי פעולה הכוללים צמצום הזרגתי של הסיוע והמרה של חלקים ממנו בתכניות מחקר ופיתוח. מבנה זה ממיר את מרכיבי התלות בכאלו המבטאים את הידידות העמוקה והאינטרסים האסטרטגיים המשותפים לשתי המדינות.

מצב דומה עמד בפני ישראל בסוף עידן המלחמה הקרה, אז עברה המפה הפוליטית שינוי גדול. ישראל ידעה שארה"ב כבר לא תזדקק לשירותיה בבלימת הסובייטים במזרח התיכון ומעמדה כנכס אסטרטגי לארה"ב עלה לדיון בזירה הציבורית. היו קולות שאמרו שהגיעה העת שארה"ב תתרחק מישראל והביאו את מלחמת המפרץ כראיה, בה ישראל, לכאורה, הפריעה לאינטרסים של ארה"ב. אולם, לאחרים היה ברור שהתרסקות הסובייטים דווקא תיצור איומים חדשים על ארה"ב ובעלי בריתם שלא באו לידי ביטוי עד אז. יתרה מכך, התפתחו תחומים רבים בהם נוצרו שיתופי פעולה חדשים. כך, הפכו שנות התשעים לתקופה בה שיתוף הפעולה בין ארה"ב לישראל התרחב והעמיק. הסערה שמתחוללת במזרח התיכון עתה נותנת לישראל שוב הזדמנות להרחיב את שת"פ עם ארה"ב ובאמצעותו להדק את יחסיה איתה, כפי שהשכילה לעשות בשנות התשעים.

תופעות לא רצויות

ישראל מקבלת מארה"ב סיוע מסוגים שונים (ר' נספח 1). במהלך השנים השתנה המדרג בין מרכיבי הסיוע וחלקים ממנו אף פסקו לגמרי. בצד יתרונותיו יצר הסיוע תופעות בלתי רצויות מבחינת ישראל:

1. הסיוע שמש מנוף ללחצים בתחום המדיני, כלכלי, וביטחוני (ר' נספח 3).
2. בכ-74% מסך הסיוע, ישראל מחויבת לרכוש ציוד צבאי אמריקאי, שאינו תמיד עונה על צרכי הביטחון בישראל ולעיתים יקר יותר ממחירו במדינות אחרות.
3. תעשיית הביטחון - התעשיות הביטחוניות בישראל מוגבלת בפיתוח, ובמכירות למדינות זרות. צה"ל הופך למקדם יצוא עבור החברות האמריקאיות וחברות ישראליות עוברות לארה"ב כדי להינות מכספי הסיוע.
4. מדינות ערב - הסיוע הוביל להגדלת הסיוע והמכירות לצבאות ערב, תוך הסלמת מירוץ החימוש במזה"ת (ר' נספח 5).
5. תדמיתית - הסיוע יוצר לישראל תדמית של מדינה תלוית, תדמית הפוגעת בחוסן הלאומי כלפי פנים ובמערכת הדיפלומטית בעולם.

תמצית נייר המדיניות

רקע

יחסי ישראל-ארה"ב מבוססים על ידידות ומחויבות מוסרית (ר' נספח 9) ועל אינטרסים משותפים שיוצרים שיתוף פעולה אסטרטגי. המערכת הבינ"ל היא דינמית ומשתנה. השינויים במזרח התיכון ותהליכים גלובליים אחרים מחייבים את ישראל לבחון מחדש את מערך שיתופי הפעולה עם ארה"ב, כולל מרכיב זה של סיוע חוץ, תוך יצירת ערוצים חדשים התואמים למצב העדכני וממקסמים את היכולות והאינטרסים של שתי המדינות.

התהפכות האחרונות במזרח התיכון, לימדו רבים מקובעי המדיניות בארה"ב, כי עתידן הפוליטי של בעלות הברית של ארה"ב במזרח התיכון כמו - מצרים, בחריין, ירדן, כוויית וערב הסעודית - עדיין לוט בערפל: עליית המפלגות המוסלמיות במצרים, עלולה להפוך את מצרים לחלק מהמגמה הפאן-איסלאמית ולתחבר עם יריבותיה של ארה"ב, רוסיה וסין. בחריין מהווה בסיס מרכזי של הצי החמישי של ארה"ב, אך אי-היציבות האזורית מאיימת על שליטיה הנוכחיים ואפילו על שלטון משפחת סעוד בריאד. המשפחה ההאשמית הפרו-מערבית מאז שנות החמישים מאוימת על ידי שבטים בדווים שקדמו לה בירדן ועל ידי הרוב הפלסטיני. בארבעים השנים האחרונות, ארה"ב ראתה ארבע בעלות ברית במזרח התיכון שהפנו לה עורף: לוב ב-1969, איראן ב-1979, תורכיה ב-2002 ועתה מצרים ומדינות אחרות הולכות בדרכן. לעומת אלו, מהווה ישראל בעלת ברית אמינה, יציבה, בעלת יכולות ודמוקרטיה. מעורבותה הצבאית של ארה"ב בתימן ואפגניסטן מחד - ונסיגת הכוחות האמריקאיים מעיראק מאידך - מחדדים את התועלת של שיתופי הפעולה עם ישראל המאריכים את הזרוע האסטרטגית של ארה"ב באזור.

ארה"ב סובלת ממיתון כלכלי החמור ביותר מאז שנות השלושים של המאה ה-20 (ר' נספח 8): שיעורי אבטלה מתקרבים לעשרה אחוזים, כ-15 מדינות ועשרות ערים עומדות על סף פשיטת רגל, הממשלה הפדרלית ניצבת בפני גרעון של יותר מ-15 טריליון דולר המאיים על מעמדה של ארה"ב בעולם. למרות תמיכת הנשיא בתקציב סיוע החוץ, המשבר הכלכלי הביא להערכה מחודשת של כל ההוצאות הציבוריות, כולל רווחה, ביטוח לאומי, פנסיה וחינוך וההערכה הזאת תימשך גם בשנים הבאות. תקציב סיוע החוץ אינו אהוד על הבוחר האמריקאי ומהווה יעד מועדף לקיצוץ.

רקע מדיני וכלכלי זה, חיוני לדיון על סיוע החוץ שישראל מקבלת מידי שנה מארה"ב. במשך השנים הפך הסיוע, שביסודו נבע משותפות ערכית ואסטרטגית, למתת חסד המשמשת במקרים רבים גם כאמצעי לחץ מדיני על ישראל, לעתים באופן ישיר ופעמים רבות בעקיפין (ר' נספח 3).

תוכן עניינים

102	תמצית נייר המדיניות בעברית.....
6	תמצית נייר המדיניות באנגלית.....
17	נספח 1: היסטוריה של הסיוע.....
26	נספח 2: שורשים של הסיוע.....
32	נספח 3 : לחץ על ישראל - דוגמאות.....
47	נספח 4 : התלות בארצות הברית.....
50	נספח 5: סיוע לישראל מעניק לגיטימציה לארה"ב לתת סיוע לאויבי ישראל.....
54	נספח 6: קונגרס ומדיניות חוץ.....
65	נספח 7: מחלקת המדינה של ארה"ב ומדינת ישראל.....
70	נספח 8: משבר כלכלי בארצות הברית.....
75	נספח 9: המלצות.....
86	אחרית דבר.....
87	ביבליוגרפיה.....



המכללה למדינאות ע"ש עדו זולדן

**סיוע חוץ
של ארה"ב לישראל:
הערכה מחדש
תמצית נייר המדיניות**

גדעון ישראל

המכללה למדינאות

ת.ד. 18749 ירושלים

טל' 077-5156011 פקס 077-5156014

<http://www.statesmanship.org.il/>

© כל הזכויות שמורות

**סיוע חוץ
של ארה"ב לישראל:
הערכה מחדש
נייר מדיניות**

גדעון ישראל

